Charter has created a "supreme law of the land," and the commitments for which place their own unique requirements on the Army and the way the Army is organized. The Army's proverbial seesawing between the extremes of the famines of peace and the plenties of war have come to an end, at least for the foreseeable future. A more or less stable Army organizational requirement has evolved in order that American principles may be maintained "everywhere in the world" and that "the world may be made safe for democracy."

Reduction of the Army to peacetime size, such as occurred after every war prior to the Korean war, is a thing of the past. No longer can the risks encouraged by military weaknesses be afforded by the United States, or by its allies in the free world.

A strong active Army constantly reorganizing to meet the day-to-day advances of technological advancements, is now a permanent fixture of our national policy. At the same time, neither can an Army of extravagances, such as historically evolved out of the emergency wholesale recruitment, procurement, and an unlimited purse, be condoned. In its stead every segment and entity of the Army's organization must be constantly weighed in light of its continuing contribution to combat effectiveness. Effective management must go hand in hand with combat effectiveness.

Combat effectiveness must relate to the nature of the war being fought.

Past conflicts have depended on physical force to destroy men and render them hors de combat.

Today the war is fought in the minds of man, to destroy their wills and reduce them to slavery.

In such a war the entire population must be united in positive thought and action.

Americans are born or have by their own free will become members of one organization—the United States of America.

Americans affirm but one loyalty above all—the sacred contract that made us one, under God.

Americans pledge their loyalty to the flag which stands for all that the Constitution has brought into being.

The officials of our Federal Government, in their oath of office, swear to support and defend this Constitution against all enemies, foreign and domestic.

The Constitution is the contract that grants them office and, in the event of infidelity to its terms, excludes them from official status.

The Constitution is the essence of the principle of civilian control.

Vice President Johnson in Berlin

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 24, 1961

Mr. BERRY. Mr. Speaker, Vice President JOHNSON reassured the people in Berlin that we are behind them. He went up and down the streets giving away fountain pens, apparently to prove that even a ballpoint pen is mightier than the sword.

Impacted School Areas: Will Anything Be Done?

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 24, 1961

Mr. HOSMER. Mr. Speaker, each day when the Houses of Congress adjourn, the day of adjournment sine die comes 1 day closer. Estimates are it will come in less than 1 month. Yet legislation to relieve the financial chaos certain to occur in the Nation's impacted school districts is still stalled. There is a petition at the Clerk's desk to discharge a bill extending these statutes. I call it to the attention of the over 300 Members of the House in whose constituencies impacted school districts are located. The need to bring this legislation to the floor is urgent; it is great.

SENATE

FRIDAY, AUGUST 25, 1961

The Senate met at 10 o'clock a.m., and was called to order by Hon. J. J. HICKEY, a Senator from the State of Wyoming.

Rev. Charles H. H. Scobie, Ph. D., minister, Clark Memorial Church, Largs, Scotland, offered the following prayer:

Father of peace and God of love, may Thy blessing rest upon this Nation, and upon all who lead it in these difficult and trying days.

Help us to seek always to be strong—in the strength of the Lord.

Help us to rely not on rockets, but on righteousness, which alone exalteth a nation.

Help us to build our might not on our missiles, but on our morals, remembering that a country is only as strong as the spiritual strength of its people.

Grant that we may resolve to dedicate our lives, our fortunes, everything that we are, and everything that we have, to the cause of peace with justice throughout the world.

May Thy presence guide and sustain us throughout the business of this day, and forevermore.

For Jesus' sake. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 25, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. J. J. HICKEY, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. HICKEY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 24, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 84. An act to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes; and

H.J. Res. 438. Joint resolution to amend the Securities Exchange Act of 1934 so as to authorize and direct the Securities and Exchange Commission to conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations.

HOUSE BILL REFERRED

The bill (H.R. 84) to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. HUMPHREY. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

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

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

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

COMMITTEE MEETING DURING SENATE SESSION TODAY

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Finance was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

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

EXECUTIVE MESSAGES REFERRED

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

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

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

THE AIR FORCE, THE NAVY, AND THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Air Force, the Navy, and the Marine Corps, which had been placed on the Secretary's desk.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

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

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

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

LEGISLATIVE SESSION

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

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

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON TORT CLAIMS PAID BY GENERAL SERVICES ADMINISTRATION

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report on tort claims paid by that administration, during fiscal year 1961 (with an accompanying report); to the Committee on the Judiciary.

EQUAL PAY ACT OF 1961

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination (with accompanying papers); to the Committee on Labor and Public Welfare.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

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

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the State Council of North Carolina, Junior Order United American Mechanics, at Asheville, N.C., reaffirming its pledge for the perpetuation and preservation of the constitutional principles of this Government, and so forth; to the Committee on the Judiciary.

SURVEY OF IRON ORE SITUATION—RESOLUTION

Mr. WILEY. Mr. President, I received a resolution from the mayor of the city of Hurley, Wis., relating to the iron ore situation. I ask that it be printed in the RECORD and appropriately referred.

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

RESOLUTION

Whereas the underground iron ore bodies represent one of the prime natural resources of our Nation and should not be wasted; and

Whereas such iron ore bodies are vital to our national security and should be preserved in case of emergency; and

Whereas the Gogebic iron range of Wisconsin is presently a very seriously depressed area recognized as such by the U.S. Government, and the iron mines represent a large proportion of the wealth and income producing industry in the area; and

Whereas the U.S. Government should be aware of its responsibility in this respect; Therefore be it

Resolved, That the U.S. Government be requested to survey the iron ore mining situation, that the iron mines should not be allowed to close down without exhausting every possibility to keep them in operation; and be it further

Resolved, That the U.S. Government be requested to investigate the possibility of subsidizing iron mining in a plan of stockpiling iron ore above the ground as a national defense measure; and be it further

Resolved, That copies of this resolution be forwarded to Congressman Alvin E. O'Konski, Senator Alexander Wiley, Senator William Proxmire, Gov. Gaylord Nelson and President John F. Kennedy.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 2325. A bill to amend the Export-Import Bank Act of 1945 (Rept. No. 787);

S. 2454. A bill to amend the housing amendments of 1955 to make Indian tribes eligible for Federal loans to finance public works or facilities, and for other purposes (Rept. No. 788);

H.R. 7108. An act to amend the Federal Home Loan Bank Act and title IV of the National Housing Act, and for other purposes (Rept. No. 778); and

H.R. 8277. An act to amend the Federal Home Loan Bank Act to simplify and improve the election and appointment of directors of the Federal home loan banks (Rept. No. 779).

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

H.R. 5235. An act to authorize the Confederated Tribes of the Warm Springs Reservation of Oregon to acquire land within the boundaries of their reservation (Rept. No. 783); and

H.R. 5964. An act to authorize the use of funds arising from a judgment in favor of the Potawatomi Nation of Indians, and for other purposes (Rept. No. 782).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

S. 923. A bill to authorize the Secretary of the Interior to replace lateral pipelines, line discharge pipelines, and to do other work he determines to be required for the Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts in the State of Idaho (Rept. No. 781).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 2156. A bill to expand and extend the saline water conversion program being conducted by the Secretary of the Interior (Rept. No. 780); and

S. Res. 105. Resolution to create a Special Committee on National Fuels Study (Rept. No. 784); and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 29. An act to amend section 216(b) of the Merchant Marine Act, 1936, as amended, to permit the appointment of U.S. nationals to the Merchant Marine Academy (Rept. No. 785).

By Mr. RUSSELL, from the Committee on Armed Services, with an amendment:

H.R. 7809. An act to improve the active duty promotion opportunity of Air Force officers from the grade of major to the grade of lieutenant colonel (Rept. No. 786).

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. BOGGS:

S. 2466. A bill for the relief of Maria Alessia Murano; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2467. A bill to improve commerce and industrial development through the establishment of a county industrial agent program; to the Committee on Commerce.

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

By Mr. JOHNSTON:

S. 2468. A bill to increase annuities under the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. BIBLE (by request):

S. 2469. A bill to authorize the Commissioners of the District of Columbia to utilize volunteers for active police duty; and

S. 2470. A bill to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia; to the Committee on the District of Columbia.

By Mr. WILLIAMS of New Jersey:

S. 2471. A bill for the relief of Maria Huszty Boros; to the Committee on the Judiciary.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 2472. A bill to authorize marketing agreements and orders under section 8c of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Act of 1937), as amended, with respect to honey; to the Committee on Agriculture and Forestry.

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

By Mr. JAVITS (for himself, Mr. KEATING, Mr. KUCHEL, Mr. ENGLE, Mr. CHURCH, Mr. HUMPHREY, and Mr. SYMINGTON):

S.J. Res. 127. Joint resolution authorizing the issuance of a gold medal to Danny Kaye; to the Committee on Banking and Currency.

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

CONCURRENT RESOLUTION

PRINTING AS A SENATE DOCUMENT, WITH ADDITIONAL COPIES, OF THE FORTIETH BIENNIAL MEETING OF THE CONVENTION OF AMERICAN INSTRUCTORS OF THE DEAF

Mrs. NEUBERGER (for herself and Mr. MORSE) submitted the following concurrent resolution (S. Con. Res. 40); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That the report of the proceedings of the fortieth biennial meeting of the Convention of American Instructors of the Deaf, held in Salem, Oreg., in June 1961, be printed with illustrations as a Senate document; and that four thousand additional copies be printed for the use of the Joint Committee on Printing.

ESTABLISHMENT OF A COUNTY INDUSTRIAL AGENT PROGRAM

Mr. HUMPHREY. Mr. President, with the passage of the Area Redevelopment Act this year, we have taken the first step toward helping underdeveloped communities to share in the fabulous wealth of the rest of the United States. We have allocated funds to enable communities with a "substantial and persistent labor surplus" to build new industries and to help themselves out of a situation of progressive impoverishment.

This is only the first step. This measure was never intended as a total solution to the problem of labor surpluses in rural areas resulting from automation in agriculture and overconcentration of industry in the great cities. The difficulties are more extensive and of a longer range nature. They cannot be solved by a policy of waiting until the needs of a specific area are great enough to warrant Federal aid. They must be met by planning and foresight so that disasters do not initially occur. Any other way is too expensive both in terms of human misery and of the Nation's economy.

Each year new developments in industrial technique are changing our way of life throughout the country. Often, however, small communities do not benefit as much as the more flexible cities from our advances in knowledge. Without expert technical advice they are left behind in a backwater of long outmoded practices.

The agricultural extension agents do an invaluable service by communicating the latest scientific information to farming areas. I propose that we borrow from their experience to establish a county industrial agent program.

The industrial agents would work in cooperation with the agricultural agents in counties suffering economic difficulties because of—

First. Excessive concentration on one product or one nonbasic industry.

Second. A changing agricultural technology, which produces a need for fewer workers, combined with a significant drop in farm income.

Third. A nonintegrated approach to the problems of economic development.

It would be the work of these agents to give technical assistance, channeling information on opportunities for diversification of industries, new legislation, new industrial improvements and new markets to the local communities. They would also have the responsibility of reporting on the local situation to State and Federal officials so that policymaking would be based on the hard facts of local conditions, and not solely on statistical projections. They would promote cooperation and coordination of voluntary groups now at work in local communities with public governmental agencies—eliminating costly duplications and false starts. Finally, they would create opportunities for vocational training of the unemployed men and women in each locality.

We must not overlook the fact that by the creation in smaller communities and rural areas of adequate standards of health, education, and economic self-sufficiency we will ease the steadily growing financial burdens of our larger cities faced with sudden influxes of untrained workers.

Thus, Mr. President, for the present and future development of America's small industrial and rural communities, I introduce, for appropriate reference, a bill to establish the county industrial agent program.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2467) to improve commerce and industrial development through the establishment of a county industrial agent program, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Commerce.

MARKETING AGREEMENTS AND ORDERS FOR HONEY—AMENDMENT

Mr. McCARTHY. Mr. President, for myself and my colleague, the senior Senator from Minnesota [Mr. HUMPHREY], I introduce, for appropriate reference, a bill to authorize marketing agreements and orders under section 8c of the Agricultural Adjustment Act—as reenacted by the Agricultural Marketing Act, of 1937—as amended, with respect to honey.

The purpose of the bill is to permit honey producers, if they choose to do so by a two-thirds vote in a referendum of honey producers, to authorize a marketing order for honey.

Honey was one of the products included among the eligible commodities in the omnibus farm bill as reported by the Committee on Agriculture and Forestry, but the bill was amended on the floor of the Senate to remove it.

In my judgment, this action was taken without sufficient evidence that honey producers desired to be excluded. Since the passage of the bill, I have received reports that members of the Minnesota Beekeepers Association at their summer meeting, which was held following the Senate action, voted heavily in favor of having honey included among the commodities eligible for marketing orders. I ask unanimous consent to have a letter I received from Mr. Glen McCoy, chairman of the Minnesota Committee for Honey Market Improvement, printed at this point in the RECORD.

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

ALEXANDRIA APIARIES,
Alexandria, Minn., August 11, 1961.

The Honorable EUGENE J. McCARTHY,
U.S. Senate, Washington, D.C.

DEAR MR. McCARTHY: On the 9th of August 1959, I wrote to you urging support of legislation which would enable honey producers to set up a marketing order agreement, if and when a majority of the industry should vote for the move.

The honeypackers of the Nation made a loud protest in this matter, and our producers decided to bide a while in the hope the industry would support a voluntary plan for collection of promotion funds, as an alternative to the proposed marketing order.

This hope has proved entirely futile, and we producers are now determined to see to it that machinery is set up to permit a marketing order.

This summer, Senate bill 1643, Report No. 566, was up for action, under which honey would have been made eligible for institution of a marketing order. Again, the loud voices of the packers caused deletion of honey from coverage in the bill.

Now, the packers represent a very small minority of the whole industry. We should like to remain on friendly terms with them. But it seems to us that this is distinctly a matter of the tail wagging the whole dog. Now we are resolved to push for what the main body of the industry really wants. We are convinced that only by a systematic method can we secure funds for improvement of our honey market.

Marketing order legislation from now on will seem imperative to us.

At the summer meeting of our Minnesota Beekeepers Association, the issue of pursuing the marketing order legislation was put to a vote. Only the packers present (four or five in number) were against it. All the producers voted for it. And at once one of the packers protested that the vote was "unfair." What is unfair about a majority vote, we ask?

I urge that when any legislation designed to enable honey to be covered by a marketing order, comes up in your congressional Chamber, you give it full and active support.

Very truly yours,

GLEN MCCOY,
Chairman, Minnesota Committee for Honey Market Improvement; Member Marketing Committee, American Beekeeping Federation.

Mr. McCARTHY. Mr. President, I have also received a letter from Mr. Henry W. Hansen, president of the American Beekeeping Federation, asking that honey be made eligible for a marketing order. I ask unanimous consent to have his letter printed at this point in the RECORD.

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

THE AMERICAN BEEKEEPING FEDERATION, INC.,
Dakota City, Iowa, August 10, 1961.

Hon. EUGENE J. MCCARTHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCCARTHY: Due to the influence of a small group of honey packers led by a large Idaho honey packer, honey was deleted from the omnibus farm bill before it passed, in spite of the effort of the American Beekeeping Federation to have honey included.

Our industry is in dire need of funds for promotion and research. We have tried voluntary checkoff, and it has failed miserably due to lack of cooperation between packers and producers.

The only solution to our problem seems to be compulsory checkoff as set forth in the omnibus farm bill. If honey were included in the omnibus farm bill (by amendment), it would be possible to reach three goals badly needed by our industry:

1. Make the collection of funds for promotion and research mandatory;

2. Set up a quality control program; and

3. Put us in a favorable position to bring about at least some restrictions on excessive imports of honey.

We feel that it is unfair discrimination against the honey producers when honey was removed from this legislation and an opportunity to set up a self-help program beneficial to honey producers and packers has been thwarted by the action of a very small group of honey handlers, packers, and dealers.

We therefore urgently request that you either introduce or actively support an amendment to include honey in the omnibus farm bill.

Sincerely yours,

HENRY W. HANSEN,
President.

Mr. McCARTHY. Mr. President, honey producers should have an opportunity to decide whether they wish to develop a marketing order for their product. The bill would make it possible for them to do so.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2472) to authorize marketing agreements and orders under section 8c of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Act of 1937), as amended, with respect to honey, introduced by Mr. MCCARTHY (for himself and Mr. HUMPHREY), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

GOLD MEDAL TO DANNY KAYE

Mr. JAVITS. Mr. President, I have the honor this morning to introduce a joint resolution authorizing the issuance of a gold medal to a very famous entertainer, Danny Kaye. I am joined in the sponsorship of the joint resolution by my colleague from New York [Mr. KEATING], the majority whip, the Senator from Minnesota [Mr. HUMPHREY], the minority whip, the Senator from California [Mr. KUCHEL], the junior Senator from California [Mr. ENGLE], the Senator from Idaho [Mr. CHURCH], and the senior Senator from Missouri [Mr. SYMINGTON].

I ask unanimous consent, Mr. President, as I send the joint resolution to the desk for appropriate reference, that it may remain upon the desk until the close of business on Monday next, in order that other Members of the Senate may join as cosponsors.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will remain on the desk as requested.

The joint resolution (S.J. Res. 127) authorizing the issuance of a gold medal to Danny Kaye, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. JAVITS. Mr. President, I also have the honor to announce that a similar resolution is being introduced in the other body by Representative MULTER, of New York, Representative BELL, of California, Representative CORMAN, of California, Representative KEOGH, of New York, and Representative LIPSCOMB, of California.

Mr. President, I should like to say a word about Danny Kaye, who has given his time, talent, and energy unselfishly to many humanitarian causes. During World War II and the Korean war, he entertained millions of servicemen and women all over the world. In peacetime, he has continued this work for the U.S.P. and has scheduled another tour of Korea and Japan in December to entertain U.S. servicemen.

Closest to Danny's heart is his work for the United Nations Children's Fund—UNICEF. As ambassador at large for UNICEF, he has traveled more than 125,000 miles in 17 countries in Asia, the Middle East, Europe, and Africa, to bring cheer to the children of the world and to promote the lifesaving and lifegiving objectives of UNICEF.

His reports on film and television on the conditions of children aided by UNICEF is estimated to have been seen by more than 145 million viewers in 28 languages and have won many awards throughout the world.

Danny Kaye has truly become an ambassador at large to the world's children. He has proved that language is no barrier to a better understanding of the peoples of the world. And in serving UNICEF and the world so devotedly, he also has been a tremendous good will ambassador for his own country.

Throughout the world, Danny Kaye has been honored for his humanitarian work. I believe we should honor him here, too.

Mr. President, we have very few opportunities to honor outstanding citizens who have served beyond the line of duty in our Republic. One of them is by the awarding of the gold medal. So it is an honor for me to seek this recognition for so deserving an American, who has given so much to our country, and, in our country's name, to the world, as has Danny Kaye.

Mr. HUMPHREY. Mr. President, I merely wish to say I am pleased to join with the Senator from New York in this endeavor. I only hope our colleagues will act promptly upon the measure.

Mr. JAVITS. I am very grateful to the Senator from Minnesota. It is typically generous and understanding of him, and I very much appreciate his joining in this effort.

Mr. KEATING. Mr. President, it is with pleasure that I join with my colleague in sponsoring a joint resolution to strike a medal for Danny Kaye. Danny Kaye has contributed greatly of his time, talent, and energy to UNICEF, the USO, and to the men who serve America in uniform overseas. He radiates a spirit of warmth and spunk that has meant a great deal to the people in need of a lift—who need to laugh and relax. We must never forget that a well-aimed quip can be a powerful weapon in the war of ideas and economic strength that today divides the world.

ESTABLISHMENT OF A NATIONAL WILDERNESS PRESERVATION SYSTEM—AMENDMENTS

Mr. ALLOTT submitted amendments, intended to be proposed by him, to the bill (S. 174) to establish a national wilderness preservation system, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF TITLE V OF AGRICULTURAL ACT OF 1949, AS AMENDED

Mr. McCARTHY. Mr. President, I send to the desk an amendment intended to be proposed to the bill (H.R. 2010) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes, and I ask that it be printed.

Mr. President, a number of Senators have told me that they have had considerable mail urging support of the McCarthy amendments to the Mexican farm labor program—Public Law 78. This is the principal amendment which I intend to offer, and I ask unanimous consent that it be printed in the RECORD at this point so that interested Senators may have an opportunity to study it before the bill is called up for debate on the floor of the Senate.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 3, lines 1 through 9, strike out all of "SEC. 505" through "Mexican workers." and substitute the following:

"SEC. 505. (a) No workers recruited under this title shall be made available to any employer or permitted to remain in the employ of any employer unless the employer offers and pays to such workers wages at least equivalent to ninety percent of the average farm wage in the State in which the area of employment is located, or ninety percent of the national farm wage average, whichever is the lesser.

"(b) The determination of the average farm wage in a State and the national farm wage average required in (a) above shall be made by the Secretary of Labor, after consultation with the Secretary of Agriculture. In making these determinations, the Secretary of Labor shall consider, among other relevant factors, the applicable average farm wage rate per hour for workers who do not receive board and room, or such other appropriate information and data as may be available."

Mr. McCARTHY. Mr. President, Public Law 78 was enacted by the Congress in 1951 as a temporary program to meet the needs for agricultural workers at the time of the Korean conflict. It has been extended four times, and during this period no substantial change has been made in the law.

The intent of Congress was stated in the original act. No Mexican nationals were to be brought into this country for agricultural work unless the Secretary of Labor determined that there a shortage of domestic workers existed and that the employment of Mexican nationals would not adversely affect the wages and working conditions of domestic workers.

The program is now 10 years old, and it is the judgment of the Secretary of Labor and of many who have studied closely the program that the program has adversely affected the wages, working conditions and employment opportunities of domestic migratory workers.

In large part the difficulty has arisen from the absence of an objective formula or of any guideline to determine whether there is a genuine shortage of workers—or only a shortage at the low wages being offered and under the poor working conditions which exist.

During the 10 years the program has been in effect the average number of workers employed on farms has decreased from 9.5 million to 7.1 million, but during the same period the number of Mexican nationals brought into the United States increased from less than 200,000 annually in 1951 and 1952 to over 430,000 annually for the years 1956 through 1959. It was 315,000 in 1960.

During the same period the wages paid domestic workers for work in which Mexican nationals are also employed have remained low and in some areas and for some crops have not risen at all.

I ask unanimous consent to have printed in the RECORD two tables which show the extent of the Mexican farm labor program and selected data on employment and wages for major Mexican-using States in 1960.

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

TABLE I

Year	Total number of Mexican nationals contracted, by year 1951–60 [1]	Average number of workers employed on farms, United States, 1951–60 (in thousands) [2]		
		Farm operators and unpaid family workers	Hired workers	Total
1951	192,000	7,310	2,236	9,546
1952	197,100	7,005	2,144	9,149
1953	201,380	6,775	2,089	8,864
1954	309,033	6,579	2,060	8,639
1955	398,650	6,347	2,017	8,364
1956	445,197	5,899	1,921	7,820
1957	436,049	5,682	1,895	7,577
1958	432,857	5,570	1,955	7,525
1959	437,643	5,459	1,925	7,384
1960	315,846	5,249	1,869	7,118

[1] Administrative reports, Bureau of Employment Security.
[2] U.S. Department of Agriculture, Statistical Reporting Service, Farm Labor.

TABLE II.—*Selected employment and wage data for major Mexican-using States, by State, in 1960*

Major Mexican-using States [1]	Employment of Mexican nationals, 1960		Hourly wage rates paid U.S. workers in work in which Mexican nationals were employed		Average hourly farm wage rate without room or board, 1960 [3]
	Contracted [2]	Employed at peak	Lowest rate	Most common	
Texas	122,755	103,680	$0.40	$0.50	$0.78
California	112,995	73,430	.75	1.00	1.23
Arkansas	27,413	31,296	.35	.50	.73
Arizona	19,324	14,312	.70	.70	.97
New Mexico	10,404	11,257	.60	.60	.85
Michigan	4,815	11,151	.75	{.85 / .75}	1.07
Colorado	8,492	6,539	.65	.75	1.09
Montana	2,438	2,563	(4)	(4)	1.13
Nebraska	2,255	2,310	.85	.85	1.10
Georgia	(5)	1,264	(4)	(4)	.66
Wyoming	1,215	1,213	(4)	(4)	1.12
Wisconsin	528	1,004	.80	1.00	1.09
Tennessee	1,138	659	.50	.50	.63
Indiana	65	612	.75	.80	1.06

[1] 500 or more Mexican nationals employed at peak. Other States with fewer than 500 are: Missouri, Utah, Oregon, Illinois, North Dakota, South Dakota, Kentucky, Iowa, Nevada, Minnesota, Washington, and Kansas.
[2] In addition to Mexican workers contracted at reception centers, 64,535 were recontracted or reassigned from one employer to another, sometimes in another State. For example, Michigan contracted 4,815 and recontracted 6,486 for a total of 11,301.
[3] U.S. Department of Agriculture. The U.S. average hourly farm wage rate without board and room, 1960, was 97 cents per hour.
[4] No hourly rates reported in 1960.
[5] All of the workers employed in Georgia were recontracted from other States.

Source: Bureau of Employment Security.

Mr. McCARTHY. Under the international agreement between our Nation and Mexico, the Mexican Government has set 50 cents per hour as the minimum at which it will permit its nationals to come to this country for agricultural work.

In effect, this minimum which the Mexican Government insists upon has become a kind of wage ceiling for thousands of domestic workers, and in many areas the wages for domestic workers have not gone above 50 cents an hour for 10 years.

The purpose of my amendment is to establish a moderate and reasonable guide as to whether a shortage of domestic labor exists and as to whether importing Mexican nationals would have an adverse effect on wages and working conditions of domestic migratory workers.

Mr. President, the amendment provides that no Mexican nationals would be made available to an employer unless he offers and pays such workers wages at least the equivalent to 90 percent of the average farm wage in the State, or 90 percent of the national farm wage average, whichever is the lesser.

This formula takes into account differences between the States. While the national hourly farm wage average in 1960 was 97 cents per hour, several of the States using Mexican nationals had averages considerably below that, as is shown in table II.

I should like to make clear that this amendment applies only to the conditions under which a grower can make use of the service of the U.S. Government to secure Mexican workers. It does not impose any requirement on any agricultural employer unless he wants to get Mexican nationals. It does not impose an arbitrary or unreasonable demand for the use of this service. It does not require him to pay a premium wage to Mexican nationals. It does not even require that he pay the average wage, but only 90 percent of the average State or National farm wage, whichever is the lesser.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. JAVITS. Does the Senator from Minnesota have any idea when the bill will be called up?

Mr. McCARTHY. I do not have any idea now. I understood yesterday it would be brought up today, but I found that, evidently, what the leadership had in mind was not this bill, but a bill dealing only with domestic migrants.

It is my opinion that it will be brought up early next week, unless more pressing business displaces it.

Mr. JAVITS. I thank the Senator.

NOTICE OF HEARING ON NOMINATION OF WILLIAM H. BECKER, OF MISSOURI, TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF MISSOURI

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, September 5, 1961, at 10 a.m., in room 2228 New Senate Office Building, on the nomination of William H. Becker, of Missouri, to be U.S. district judge, western district of Missouri, vice Albert A. Ridge, elevated.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Missouri [Mr. LONG], chairman, the Senator from Nebraska [Mr. HRUSKA], and myself.

NOTICE OF HEARING ON NOMINATION OF THADDEUS M. MACHROWICZ TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MICHIGAN

Mr. HART. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, September 1, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nomination:

THADDEUS M. MACHROWICZ, of Michigan, to be U.S. district judge for the eastern district of Michigan, vice Frank A. Picard, retired.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Colorado [Mr. CARROLL], the Senator from New Hampshire [Mr. COTTON] and myself, as chairman.

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

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

By Mr. JACKSON:

Proposal for an International Institute of Science and Technology in Western Europe.

YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, it has become increasingly evident that one of the most popular and acceptable proposals ever presented in the Congress is the establishment of a Youth Conservation Corps, modeled along the lines of the Civilian Conservation Corps of the 1930's.

It is my privilege to be the sponsor of such a proposal, S. 404. The Senate Labor and Public Welfare Committee has reported favorably S. 404. The House Labor and Education Committee has taken similar action. It would be most unfortunate if this Congress failed to act on this constructive program.

A recent public opinion poll—the Gallup poll of August 22—shows that 80 percent of the people believe that a YCC camp program would be a good idea.

It seems to me that overwhelming expression of support therefore commends itself to the passage of such legislation.

I ask unanimous consent that the poll demonstrating that the Youth Conservation Corps is approved by 80 percent of the people be printed at this point in the RECORD.

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

YOUTH CORPS APPROVED BY 80 PERCENT IN VOTE

(By George Gallup)

PRINCETON, N.J., August 22.—The American public overwhelmingly supports the idea of youth conservation camps modeled along the lines of the Civilian Conservation Corps of the 1930's.

Eight out of ten persons interviewed in a nationwide Gallup poll say they think such youth camps—for young men who want to learn a trade and earn a little money—would be a good idea.

President Kennedy has backed the creation of a "token" Youth Conservation Corps with a maximum enrollment at any one time of 6,000 youths. Alternative plans providing for larger Youth Corps have been introduced in both the House and Senate.

The current survey indicates that the public is of a mind to go further than any of the existing YCC proposals—all of which would be based on voluntary enrollment by boys between the ages of 16 and 22.

Six out of ten Americans interviewed believe that attendance in these camps should be required of young men of this age who are not in school and do not have jobs.

To get the public's current views on the principle of the youth camps, Gallup poll reporters first put this question to a representative sample of 1,648 adults from coast to coast:

"It is proposed that the Federal Government set up youth camps—such as the CCC camps of the 1930's—for young men 16 to 22 years old who want to learn a trade and earn a little money by outdoor work. Do you think this is a good idea or a poor idea?"

The results nationwide:

YCC camps for young men 16 to 22?

	Percent
Good idea	80
Poor idea	13
No opinion	7

The issue of requiring idle young men to work in these camps was phrased as follows:

"Do you think young men who are not in school, do not have jobs, and are not learning a trade should be required to go to one of these camps, or not?"

The vote:

Require idle young men to go to camp?

	Percent
Should be required	59
Should not	34
No opinion	7

STATESMANSHIP OF VICE PRESIDENT LYNDON JOHNSON ON RECENT VISIT TO GERMANY

Mr. HUMPHREY. Mr. President, we have all been deeply impressed by the statesmanship of our Vice President, LYNDON JOHNSON. On his recent visit to the Federal Republic of Germany and Berlin, we witnessed those qualities of courage, leadership, and political insight which are so characteristic of this great American.

Max Freedman, Washington correspondent of the Manchester Guardian, accompanied Vice President JOHNSON on his trip to Germany. Mr. Freedman has described that trip and his evaluation of Vice President JOHNSON's efforts in an article which appeared in a recent issue of the Washington Post and Times Herald. Every American should read this article, and, above all, every Member of Congress. It not only tells a great deal about our Vice President, but it is a remarkable analysis of the situation which exists in Berlin.

I ask unanimous consent that the article by Mr. Freedman be printed at this point in the RECORD.

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

HOW WEST BERLIN WELCOMED L.B.J.

(By Max Freedman)

(Mr. Freedman, Washington correspondent of the Guardian, of Manchester, accompanied Vice President JOHNSON on his trip to Germany.)

Since my return from Berlin, I have read the admirable reports in the press on Vice President LYNDON JOHNSON's mission to Bonn and Berlin. I am not surprised by these sensitive and responsible accounts of the Berlin situation.

Never have I seeen a group of reporters more deeply moved by a political crisis that contains many elements of human tragedy. Perhaps I can add one or two points to their description of the journey. As the only non-American on the trip, I can say some things that cannot be said so easily by my American colleagues.

There is something very inspiring, and at the same time almost frightening, in the reliance of the German people on American policy. It is almost as if all will be lost if America falters.

They believe that neither Britain nor France can take up the burden if America defaults; and they show their trust in America not by measured calculations of diplomacy but by an outpouring of friendship and hope that can never be forgotten by anyone who has felt it in these last few days.

Every mention of President Kennedy's name was caught up in the cheers of endless German crowds. To them he is quite plainly the supreme guardian of the endangered frontier of freedom. But he was not the only American who evoked these cheers.

Few diplomats have been cheered the way the citizens of West Berlin cheered Charles E. Bohlen. The man who has never lost faith in the freedom of Berlin, Gen. Lucius Clay, received a stupendous welcome which showed this gallant guardian of American honor that he is enshrined in the memory of a grateful people.

Everyone expects President Kennedy to name General Clay to a position of responsibility in West Berlin. That appointment would be a splendid stroke that would ring through West Germany, and its echoes would reach beyond East Berlin to Moscow, giving new courage to the free and bringing new anxieties to the Communists tyrants.

As for the reverberating ovation for Vice President JOHNSON, no words can give the full measure of its significance. The most famous editor in West Berlin told me there has never been such a welcome to an American in the entire history of Germany. What is more amazing, these cheers never seemed to slacken during our 2 days in the city.

I can tell you the one experience which moved Vice President JOHNSON beyond all others. When he visited the refugee center an old German lady gave him a shriveled and forlorn bouquet of flowers. She had brought them with her in her escape from East Berlin.

As she presented her bouquet, she leaned over and kissed the Vice President's hand. To hide his emotion, the Vice President turned his head to look in the distance, and there, facing him, was a ruined building, wrecked by our bombs in the war, and still a gaunt finger against the sky. Have not the passing years brought their mercies and even stranger reconciliations?

One constant hazard faced the Johnson mission. It was essential to keep American policy from being entangled in the confusions and prejudices of the German election campaign. This problem arose several times during the s'ay in Germany but not once did it lead the Vice President or any member of the official party into the smallest indiscretion. I can testify that Chancellor Adenauer and Mayor Brandt are grateful for the skill which enabled the mission to define American policy so clearly without at any time brushing against the embattled arguments of German politics.

The criticism has been heard that the declarations made during this mission, often in circumstances of emotional intensity, have increased America's commitments to Berlin beyond hope of reasonable fulfillment. It is quite wrong to believe that Vice President JOHNSON, acting for President Kennedy, gave West Berlin a blank check which the German people can fill to create the maximum duties for the United States.

In the task of safeguarding the peace and freedom of West Berlin, there are increased duties that will fall on the German people themselves, and on the allies, as well as on the American Nation. There are risks to be shared, and obligations to be fulfilled, and burdens to be carried, and duties to be discharged by everyone in this united defense of freedom's dauntless yet endangered cause.

FOOD FOR PROPAGANDA

Mr. HUMPHREY. Mr. President, I wish to call to the attention of the Senate an article which appeared in the London Economist of August 5, 1961, entitled "Food for Propaganda."

What this article refers to is our food-for-peace program and the splendid manner in which the food resources of this Nation are being used in order to strengthen American foreign policy, help underdeveloped countries, and relieve human suffering.

This is one of the most perceptive and analytical articles I have read on the matter of the use of food as an instrument or as a means of foreign policy, and particularly foreign economic policy.

I ask unanimous consent that the entire article be printed at this point in the RECORD.

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

FOOD FOR PROPAGANDA

WASHINGTON, D.C.—Grudgingly, grumbling about waste and ingratitude, Congress every year passes a multibillion-dollar program of foreign aid—though never as much as the President asks, which this year was over $4.8 billion. At the same time, with the warm approval of Congress, the United States spends up to $2 billion a year on sending food abroad for the needy. The taxpayer foots both bills, one glumly, one with relative gladness. He believes fervently (or at least most Congressmen do) that the two processes are as different as chalk from cheese. Foreign aid is felt to be a heavy burden (even the President called it that) while food for peace is just the opposite—the lightening of the back-breaking burden of the surplus foodstuffs produced by high price supports, modern science and capitalist enterprise which have piled up in the custody of the Commodity Credit Corporation to the total value of $9 billion. One reason for the difference is that although many industries have come to have a vested interest in foreign aid (since the machinery and other goods sent abroad generate employment and incomes in America) no business pressure group fights for it. On the other hand, food for peace is backed vigorously by the Farm Bureau, an organization representing the large agricultural producers.

A clear indication that the two types of transactions have a totally different political impact was found in the administration's attempt to sweeten the pill of the unpopular farm bill by tacking on to it provisions for funds to extend and increase the purchase of food for peace after December 31, when current appropriations will be nearly exhausted. It knows that Public Law 480 (which lays down the food-for-peace program) is generally popular, and that Congress would be appalled if the Department of Agriculture and the several other agencies involved were to run out of money for making agreements with hungry lands to reduce the mountain of surpluses. Congress is even ready to allow the administration some freedom to make flexible forward commitments to supply food, although when a similar freedom is proposed in connection with foreign aid it is immediately attacked as back-door financing.

One of the creative ideas of President Kennedy's administration was to switch the emphasis of the food-for-peace operations from the dumping of agricultural overproduction to the positive employment of American agricultural prowess to speed up development as part of the whole foreign aid policy, using the agricultural surplus overtly as a tool in the war of ideologies instead of simply as a waste pipe of the American price support system for maintaining farm incomes. As the program stands it provides ingenious ways whereby the surplus, overwhelmingly grain, can be acquired by foreign countries—once they have spent all they can afford on normal imports.

Over three-quarters of the food exported under Public Law 480 is sold for blocked local currencies under long-term, soft-loan agreements. The Treasury issues a purchase authorization to an exporter, who buys and ships through commercial channels. His debit notes are duly redeemed by the Commodity Credit Corporation and the CCC, as the final link in the chain, is reimbursed by the Department of Agriculture out of its appropriations under Public Law 480. Most of the remainder of the food is bartered for various strategic raw materials; about $1 billion worth of these has been obtained. A small additional amount is given as an outright gift or grant, mainly through voluntary distributing bodies.

The blocked currencies so acquired amount to $4 billion (with billions more resulting from foreign aid). Most of them are unspendable and sterilized, but many elaborate devices have been thought out to give Congress the impression that they are used and that there are no unduly debilitating eleemosynary effects. These funds are spent, for example, to pay the salaries of local American officials, for educational purposes and to develop markets for American exports. Most important of all, in countries where the monetary and credit system is still rudimentary, the counterpart funds are used as a source of credit and finance capital—a procedure often preferred to burdening local budgets. But in general, these vast sums cannot be used without causing local inflation, and most food for peace is a gift from the American taxpayer.

Since 1954 the United States has sent abroad food (under Public Law 480 and some other minor programs) worth nearly $9 billion, representing about a third of its total exports of food including 70 percent of its exports of wheat. But such figures do not bring the realities home. In terms of calories, the basic unit which measures the intake of human energy (2,500 a day are necessary to human efficiency—Americans take in 3,200), the wheat, flour, maize, rice, other grains, fats, and dairy produce sent abroad under Public Law 480 in the financial year 1960 were enough wholly to feed over 31 million adult human beings throughout that 12 months. This food was, of course, spread more thinly over many more millions who were already being locally but inadequately fed: Thus, the food sent to India now represents, on the average, 90 to 100 calories a day for every Indian, against a deficiency estimated at 250 calories in 1958. The diet of 54 million children has been eked out by food for peace. But it does not constitute a balanced diet, which requires proteins and vitamins as well as calories.

The administration plans to increase both the quantity of this food and its protein content. Unfortunately, in extending Public Law 480 in the new farm bill which was passed last week, neither the House nor the Senate granted the full 5-year authorization which the administration sought and the Senate refused to increase the amount of money which may be spent. Whether the amount of food sent abroad will rise by 15 to 20 percent, as the administration hoped, depends on the outcome of the conference between the Senate and the House. But the volume of shipments is in any case limited by the severe bottlenecks in transport, storage, distribution, and administrative arrangements at the receiving ends.

It is hoped to tie more and more foreign aid projects directly to the food program by supplying grain to areas where wages are generated by the employment of much local labor on construction of, for example, dams or irrigation systems. Hitherto such sudden increases in incomes have inflated local food prices disastrously. Food for peace can operate as a brake on this inflation, which is normal in rapid phases of development.

To provide more protein for foreign diets the administration is raising price supports for soya beans, cotton seed and peanuts in relation to those for wheat. A more ambitious plan is to work with the foreign aid agency to persuade the recipients to convert grain into protein by raising hogs and cattle. This is still confined to a few pilot projects. Yet another idea is to purchase more American-processed foods with Public Law 480 funds (baby food is an obvious example). This would stimulate the food industry even more. But all these plans are, in varying degrees, dearer than the simple device of shoveling out surplus wheat as the basic human fuel.

Many words have been spun—by the President, by Mr. McGovern, who directs the program and by Mr. Freeman, the Secretary of Agriculture—about making American agricultural prowess a great prestige talking-point among the underdeveloped countries, an argument to which the Communists, whose people are hungry, starving, or even dying of famine, have no reply. But the President did not dare to point up this devastating contrast by offering famine relief to China, which has used up its exchange reserves to buy from Canada and Australia; American public opinion would not have stood for such a move. Popular as Public Law 480 is, it is so in a hole-and-corner way.

The legislators lack any vision about the use which might be made of it in a world where the food deficit has reached 36 million tons a year for wheat alone. The dollar sign, the cry of "extravagance" and the fears of commercial exporters, both in America and other countries, that their markets will suffer hang sullenly over any such initiative, shrilly as the President's critics call for successful anti-Communist propaganda. The same mental straitjacket stands in the way of rationalizing the counterpart funds. This means that America fails to get full credit for what is in every sense a remarkable work of mercy and of generosity, as well as a demonstration of capitalist efficiency. Once again, the President and his idea men may have to be satisfied with doing just a little more good, still very largely by stealth.

THE BERLIN CRISIS

Mr. JAVITS. Mr. President, I wish to say only a word about Berlin, because so often people in the country wonder what we think. I think all of us recognize the utmost seriousness of the moment. Great powers like the Soviet Union and the United States do not bluff. They do not dare to. They cannot afford to. Yet there is a deep feeling in the hearts of all Americans, that much as we know we must do what we are doing, and we know the risk, there is ground for negotiation, that negotiations will ensue both between the parties among the various countries affected—and, we certainly have every reason to expect, in the United Nations—and that a solution will be found.

But to ask the American people to assume that there is no risk involved would be nonsense. There is great risk. What we can do is understand the risk and, as has been said at times of great crisis, let politics stop at the water's edge. The White House, as one of the New York papers has said, does not have to press for unity. There is unity, and the unity will remain in the face of this danger.

It is the sobriety and the seriousness with which we regard this crisis and our determination that it shall be met with dignity and responsibility which befit the leader of the free world, and the fact that we are dedicated in backing our constituted authority, that I think are the best augury to the American people that we are neither bellicose nor reckless; that we know we must stand where we are, but, more than that, that we are willing, ready, and able to bring about an end to the dangerous tension by appropriate negotiations.

I think it should be very reassuring to the people that we, like them—and this problem is on everybody's mind—understand the risks, the dangers, and our responsibilities.

A WELCOME TO KANSANS AND THE SEARCH FOR SERENITY

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD the welcome to Kansans by Rev. Canon Luther D. Miller, of the Washington Cathedral, together with a sermon by Rev. Canon Luther D. Miller at the Washington Cathedral entitled "The Search for Serenity." The sermon is an appropriate message because of the world condition as it exists today.

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

WELCOME TO KANSANS

(By the Reverend Canon Luther D. Miller, Washington Cathedral, August 20, 1961)

It is the custom here at Washington Cathedral to honor one of the United States each Sunday. Today we honor the State of Kansas. In recognition of the Kansas centennial we had as special lesson readers Senator ANDREW F. SCHOEPPEL and Senator FRANK CARLSON. Also the Governor of Kansas issued a proclamation of thanksgiving in celebration of 100 years of statehood. Also to mark the centennial year the State, through voluntary contributions, is presenting to Washington Cathedral a 590-pound bell to be part of a 10-bell peal to be placed in the Gloria in Excelsis Tower. The bell will be inscribed: "From the people of Kansas." Interest in the gift of the bell and this service has been possible through the efforts of Mrs. Gordon Hurlbut, Jr., and Mrs. John A. Shahan, regional chairman of the National Cathedral Association. Just a personal word—I was stationed at Fort Leavenworth, Kans., for 9 years as chaplain of the Army's Command and General Staff College, so we Millers feel that we are part Kansans, at least. Those of us associated with the cathedral give you people from Kansas a special welcome to this service and may God bless you all always.

THE SEARCH FOR SERENITY

(By the Reverend Canon Luther D. Miller, Washington Cathedral, August 20, 1961)

The nameless, indefinable longing of our day is for safety and security. Behind the tempo and tension of current unrest—behind the turmoil in the world—and we surely do have turmoil in Asia, in Tunisia, in South America, in Europe, in Africa, and now the Berlin crisis. Did you happen to see the cartoon in the New Yorker last week? A doctor is handing a prescription to his patient with these words: "I'm going to give you something to take the instant it looks as if the Berlin crisis is coming to a head." Perhaps this is the time for the patient to take the medicine, for Khrushchev is doing a lot of missile rattling and bragging about the new Russian bomb with the power of 100 million tons of TNT. Then the closing of the Bradenburg gate and the ringing of Berlin with Soviet divisions. Then Khrushchev bulled the Italian Premier, saying that Italy and Great Britain, as U.S. bases, would be Russian hostages should war break out. Then the United States has upped the defense appropriation to over $46 billion. Then 25,000 men are to be called for Army duty in September and 113 National Guard and Reserve units and Reserve units of the Navy and Air Force have been alerted, a 1,500-man battle group ordered to Berlin by the President. I think the man in the cartoon had better get his prescription filled for it looks as if the Berlin crisis is coming to a head. Behind all this is the feeling among so many of our people that we are no longer secure. We are finally discovering that the United States and the free world is vulnerable, and that the world can get at us.

Almost every day someone will say: "I'm scared to death; where is this peace which religion promises? Why do we all feel so insecure? How can we attain poise and perspective?" It is this sense of something impending which makes living so difficult—for we do not know what lies ahead.

What the scared, bewildered people of our day want above all things is some secret place where tension will be subdued, where the streams are never ruffled, where the waters are never muddy and where all fear vanishes. Millions of people of this country are looking for some soundproof chamber where the Russians cease from troubling and everybody is at rest. They long to put their feet upon a rock that cannot be moved and to live in a house that will not fall in a nuclear blast. What most of us want today is a depth so deep and a height so inaccessible and a distance so great than nothing can reach it.

Many people today who are disturbed about the world situation and especially the Reds' program to make the world communistic, many of those pepole would be the last to admit that religion can help them. If it were suggested that the church offered the way out—they would regard it as an empty jest. I was reading recently about a clergyman who had been invited to speak at a youth conference, on the subject "The Place of the Church in a Challenging World Order." The room was crowded with a selected group from colleges and universities, and as he entered a heated discussion was in progress and the chairman said, "Well, at least we are agreed that the church can do little for us and we will have to turn to something else," and the whole conference group heartily applauded. It was not a very auspicious setting for the speaker and yet strangely enough before the hour was over they adopted, on their own initiative, a resolution stating that only in the return to some fundamental philosophy of life which dealt with the supernatural could the world ever again have peace of mind or heart. They had no sympathy with the church; but they could not escape the need of God.

It is security that people want. The world right now is in the mood to pay almost any price for it. We are perfectly willing to toss aside everything no matter how dear and vital it may have been in the past, if only we can feel secure. That is especially so in our national life. Why many people today are perfectly willing to change the form of government, scrap any theory of national life, if only they can have security. The watchcry of a former generation was political freedom, but that of our generation is political security.

Behind all treaties, international conferences, undercover arrangements and secret alliances is the quest for security. That seems to be the goal of the world—security. Most nations are attempting to obtain as much as possible for themselves by giving as little as possible. The great interest in space vehicles that has aroused our country and the world since Russia has put two men in orbit and the United States two men in space—since then our people feel unsafe and afraid and are determined to have security at any cost.

It is a significant fact that an era in which the sense of insecurity is so rife should be one which has largely turned its face from God. There is a strange interrelation between insecurity and irreverence. Our forefathers knew little of this sense of human helplessness because they lived with an unconquerable faith. They, of course, had their shadows, too, but they were always conscious of a presence in the darkness. Sooner or later we pay dearly for indifference to religion. Whatever else we may say of religion this always stands first: it gives men reason for living and the power to face things as they are. It is only as man lives with a sense of eternity in his heart that he is able to stand up before life's tensions. Religion offers and guarantees to every man an adequate power to cope with life. It gives us strength equal to the need. The most profound truth of religion is that every person has a place in the purpose of God. We do not make our way alone through the world. Life is not just a commingling of atoms. History is not just a muddy stream of disconnected and unrelated events.

The universe is not just a jumble of stars and planets, and character is not just a tangled mass of twisted strands and threads which can never be untangled and untwisted to some divine design.

We shall never live fearlessly and securely until we live with a sense of God in our lives. A tree can stand against any storm if its roots are down deep enough to anchor it. It is because we live with inadequate or false philosophies that we cannot cope with the current world situation. Religion makes the profound assurance that life is a venture to be made with God. When we cease to believe that—something goes out of us. When there goes out of life an awareness of God and a sensitiveness to invisible things—we feel afraid. A sense of security depends upon a sense of reverence. What most people need who are afraid of this world situation is not a clinic but a church—not a psychiatrist but a savior—not a readjustment but redemption.

Unless we keep vivid in our faith the spiritual vereties, seeing clearly that God is not dead and that Jesus Christ still is right and that the Sermon on the Mount is unshaken—unless we do that fear and anxiety will dominate our lives.

We must believe that he who molds the destiny of nations is with us. Our trust must be in God and we must believe that the same devine hand which has guided us through all the perils of the past still holds the helm of our ship of state and guides us safely through every storm and every crisis.

MIGRANT LABOR AND CONGRESS

Mr. PELL. Mr. President, in the very near future, the Congress will have an opportunity to remove from the face of our Nation a blight which has persevered for too long. Five migratory farmworker bills were recently reported by the Committee on Labor and Public Welfare. These bills, the first of their kind to reach the full Senate, have evolved from the work of the Subcommittee on Migratory Labor under the able leadership of Senator HARRISON A. WILLIAMS, JR., of New Jersey.

Two of these bills, which I am pleased to cosponsor, concern the children of migratory farmworkers. One seeks to restrict agricultural child labor. The other would improve the educational opportunities for migratory farm children, and includes as well, a provision to establish adult education projects. The other three bills would provide for Federal registration of crew leaders, improved health services for migratory farm families, and the establishment of a National Advisory Council on Migratory Labor. Congressional action in this area will extend to migratory farmworkers the benefits and protections of social legislation from which they have been excluded for nearly 30 years.

It was, therefore, with great interest that I noted the excellent New York Times editorial this past Sunday which, without reservation, urges enactment of these bills. This editorial entitled "Migrant Labor and Congress," points out:

All five bills should be promptly passed by the Senate, and their companion bills by the House. There is unanimous support in the administration for them, led by Secretary of Labor Goldberg. There can be no doubt that President Kennedy would sign them.

Because the New York Times editorial is indicative of national concern for our migratory farmworkers and their families, and because it recognizes the urgent need for legislation in this area, I ask unanimous consent that the editorial appear in the RECORD at this point.

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

[From the New York Times, Aug. 20, 1961]

MIGRANT LABOR AND CONGRESS

After far too many years of neglect by Congress it looks now as if something were going to be done to give migrant farmworkers the protection they need—and that industrial workers have long since been given. This is largely due to the outstanding efforts of Senator HARRISON A. WILLIAMS, JR., of New Jersey, and the Senate Subcommittee on Migratory Labor of which he is chairman, and also to a small number of dedicated social welfare agencies. Migrants have not had the facilities for propaganda and political pressure which the big unions can command.

Five migratory labor bills—the results of many months of study by the Senate subcommittee—have been introduced in the Senate by Mr. WILLIAMS, with bipartisan sponsorship, and have been favorably reported by the Committee on Labor and Public Welfare. They are due soon for action on the floor.

Most important is one (S. 1126) which requires annual Federal registration of crew leaders—the middlemen who arrange agreements between workers and growers, and furnish interstate transportation. This is designed to establish and enforce adequate standards of performance in dealing with the migrants. Other measures place limits on child labor on farms outside of school hours, give Federal financial assistance to States and local communities for the education of the migrants and their children, provide Federal grants to stimulate and support local health programs, and establish a National Advisory Council on Migratory Labor to advise the President and Congress and to inform the public as to the problems of these workers and how to deal with them.

All five of the bills should be promptly passed by the Senate, and their companion bills by the House. There is unanimous support in the administration for them, led by Secretary of Labor Goldberg. There can be no doubt that President Kennedy would sign them.

THE JOHN BIRCH SOCIETY

Mr. McGEE. Mr. President, I call the attention of the Senate to a scholarly and sobering article published in Commentary magazine, issue of August 1961, entitled "The John Birch Society, Fundamentalism on the Right." The article was prepared by Prof. Alan F. Westin, who was associate professor of public law and government at Columbia University.

The burden of the article is to analyze in historical perspective the operations and role of the John Birch Society. In it Mr. Westin suggests first, that the Birch group poisoned their own image of world events and American politics by viewing them as a wholly conspiratorial operation. Everything is conspiracy and perpetrated by conspirators.

Second, Mr. Westin suggests that the Birchers impugn the integrity and patriotism of those at the head of every major social and economic group in the country. That would include the Republican Party, the Democratic Party, the Chamber of Commerce of the United States, and other similar organizations.

Third, Mr. Westin points out that the Birchers are convinced that the Communists have gone so far in penetrating American politics that there is little hope in the existing political system of America to resolve our problems.

Fourth, he points out that most of the Birch Society's positive program consists of advocating the repeal of things or the removal of the Nation from something or somewhere—a completely negative approach in an attempt to turn back the hands of time.

Finally, Mr. Westin suggests that the Birch Society advocates both direct action and dirty tactics to break the grip of the Communist conspiracy in this country.

I ask unanimous consent that the entire article be printed at this point in the RECORD.

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

[From Commentary magazine, August 1961]

THE JOHN BIRCH SOCIETY: FUNDAMENTALISM ON THE RIGHT

(By Alan F. Westin)

Last April, the Gallup poll asked a nationwide sample of Americans whether they had heard of the John Birch Society and found that 39 million persons—an extraordinary number, according to Gallup—had read or heard of the Birchers. Of these, 47 percent had an unfavorable estimate of the society, 8 percent were favorable, and 45 percent had not yet reached a judgment. In one sense, these figures suggest a firm rejection of the Birchers by majority sentiment. But the figures also indicate that at the moment when the society was receiving its most damaging publicity—when the mass media were featuring the charge by Birch Founder Robert Welch that President Eisenhower was "a dedicated, conscious agent of the Communist conspiracy"—3 million persons still concluded that the society was a commendable, patriotic, anti-Communist organization. If the undecided 45 percent were to be divided in the same proportion as those who had reached a judgment (and this would probably underweigh pro-Birch sentiment), another 2½ million persons would be added to the ranks of the approving. By this estimate it can be argued, then, that at least 5½ million Americans from among the most public-affairs-conscious 40 million of our adult population were favorably impressed with the John Birch Society.

One reason for this extraordinarily high degree of support is that the Birch Society has become the most appealing, activist, and efficient movement to appear on the extreme right since the fertile decade of the 1930's. Birch membership at present is probably close to 60,000 and is distributed widely throughout the Nation, with particular strength in traditional centers of fundamentalism like Houston, Los Angeles, Nashville, Wichita, and Boston. This membership provides an annual dues income of $1,300,000. Life memberships at $1,000, special donations by wealthy supporters, and sales of society literature add perhaps $300,000 more, giving the group a present working fund of $1,600,000 a year. By its own count, the society has 28 staff workers in its home office in Belmont, Mass., 30 fully salaried and expense-paid traveling coordinators, and 100 partially paid or volunteer coordinators. Its jabbing forefinger has already been felt in the midsection of dozens of communities, and some commentators not prone to overestimating fringe movements warn that the society may become an effective united front for the hundreds of rightwing groups currently operating on the American scene.

All this being the case, it is worth asking what kind of group the John Birch Society is and how it compares with traditional rightwing organizations. Why has it suddenly come into prominence at this particular moment, and what are its prospects in the decade ahead?

I

However much factors like urbanization, the cold war, and status insecurities may have provided a new setting for native fundamentalists, a large and irreducible corps of such people has always existed in the United States. Unlike American liberals and conservatives—who accept the political system, acknowledge the loyalty of their opponents, and employ the ordinary political techniques—the fundamentalists can be distinguished by five identifying characteristics:

1. They assume that there are always solutions capable of producing international victories and of resolving our social problems; when such solutions are not found, they attribute the failure to conspiracies led by evil men and their dupes.

2. They refuse to believe in the integrity and patriotism of those who lead the dominant social groups—the churches, the unions, the business community, etc.—and declare that the American "establishment" has become part of the conspiracy.

3. They reject the political system; they lash out at politicians, the major parties, and the give-and-take of political compromise as a betrayal of the fundamental truth and as a circus to divert the people.

4. They reject those programs for dealing with social, economic, and international problems which liberals and conservatives agree upon as minimal foundations. In their place, the fundamentalists propose drastic panaceas requiring major social change.

5. To break the net of conspiracy they advocate direct action, sometimes in the form of a new political party, but more often through secret organization, push-button pressure campaigns, and front groups. Occasionally direct action will develop into hate-propaganda and calculated violence.

At various periods, the United States has experienced both left-fundamentalism (the Knights of Labor, the Wobblies, the Populists, the Communists, the Trotskyites, and the Wallace Progressive) and right-fundamentalism (the Know-Nothings, the Coughlinites, the Silver-Shirts, and America First). Today, right-fundamentalism spans a broad spectrum. At one pole, with its passionate thousands, is the "hate" right, led by the Conde McGinleys, Gerald L. K. Smiths, Admiral Grommelins, Father Terminellos, John Kaspers, and George Rockwells, who offer various combinations of anti-Semitic, anti-Catholic, and anti-Negro sentiment. These groups are thoroughly discredited in contemporary America, and the major problem they present is a matter of defining the line which our law should draw between deviant expression and hate-mongering or advocacy of violence. At the opposite pole is the semirespectable right. Here we encounter a variety of different political and educational organizations including the Foundation for Economic Education, the Daughters of the American Revolution, the Committee for Constitutional Government, and the White Citizens' Councils of the South. Socially prominent figures belong to such groups, which are well-financed, often have connections with local and national major party factions, and exercise substantial lobbying influence. Their supporters and leaders may long to break with the two-party system and start a rightist party, but they are restrained by the knowledge that this would isolate them and thus diminish their present effectiveness.

The John Birch Society stands between these two poles. In the words of one of its chapter leaders in Louisville, Ky., it is a middle-of-the-road rightwing organization. In order to get a precise picture of its ideology and tactics, I have examined every published word issued by the society since its formation in 1958: in 1961 annotated edition of the "Blue Book of the John Birch Society," its operating manual and theological fount; the monthly bulletins which are sent to members and contain the agenda of activities (the 1960 issues of the bulletin are available in a bound edition titled "The White Book of the John Birch Society"); those writings of Robert Welch which have been officially incorporated and reprinted by the society (e.g., "The Life of John Birch," "May God Forgive Us," "A Letter to the South on Segregation"); and every issue of American Opinion, the monthly publication edited by Robert Welch for the society. (This was published by Welch before February 1958 under the slightly more modest title of "One Man's Opinion.")

Measured by its official materials, the authenticated accounts of Welch's speeches, and public comments by members of the society's council, the society emerges as a purebred specimen of American right-fundamentalism.

1. Its image of world events and American politics is wholly conspiratorial. In the July 1960 bulletin, Welch explains that the key to the advance of world communism "is treason right within our Government and the place to find it is right in Washington." The danger, Welch says in the Blue Book, "is almost entirely internal." And it is "a certainty," he writes in "May God Forgive Us," that there are "more Communists and Communist sympathizers in our Government today than ever before." As recently as January 1961, Welch was informing his supporters that "Communist influences are now in almost complete control of our Federal Government."

Each year since 1958, Welch and his board of experts have published a scoreboard rating all the nations of the world according to the "present degree of Communist influence and control over the economic and political affairs" of the country. In 1958, the United States was rated as 20 to 40 percent under Communist control; in 1959, the United States went up to 30 to 50 percent; and in 1960, the figure climbed to 40 to 60 percent. (At that pace, we will reach the 80 to 100 percent mark in 1964). England's rating went from 20 to 40 percent in 1958 to 50 to 70 percent in 1960. Israel is presently rated as 40 to 60 percent controlled; Egypt 80 to 100 percent.

Everywhere, the Birchers advise, Communists are at the heart of events, even some events that might seem to less skilled observers remote from Kremlin direction. In an open letter to Khrushchev in 1958, Welch said "your hands played the decisive unseen part" in the run on American banks and their closing in 1933. It was the Communist-contrived recognition of the Soviets in 1933 that "saved them from financial collapse." The "very idea of American foreign aid was dreamed up by Stalin, or by his agents for him." The "trouble in the South over integration is Communist-contrived"; the Communists have invented a "phony civil rights slogan to stir up bitterness and civil disorder, leading gradually to police-state rule by Federal troops and armed resistance to that rule." The U.S. Supreme Court "is one of the most important agencies of communism." The Federal Reserve System is a realization of point 5 of the Communist Manifesto, calling for centralization of credit in the hands of the state. The purpose of proposed legislation requiring registration of privately owned firearms is to aid the Communists in making "ultimate seizure of such by the government easier and more complete." Everywhere, Welch concludes, the Communists are winning: in "the press, the pulpit, the radio and television media, the labor unions, the schools, the courts, and the legislative halls of America."

All the above descriptions of conspiratorial trends have been cited from official Birch Society literature, what Welch calls the society's steps to the truth. But the picture grows darker when one turns to the "Black Book," or, as it is more commonly known, "The Politician"—the book length letter which Welch circulated privately to hundreds of persons but which the society has carefully rejected as an official document. "The Politician" is to the society what Leninist dogma is to the Communist front groups in Western or neutralist nations—it is the ultimate truth held by the founder and his hard core, but it is too advanced and too powerful to present, as yet, to the masses being led. In "The Politician," Welch names names. Presidents Roosevelt, Truman, and Eisenhower; Secretary of State John Foster Dulles; CIA Director Allen Dulles; Chief Justice Warren—all of these men are called knowing instruments of the Communist conspiracy.

It is worth noting that Eisenhower and his administration draw the strongest venom in "The Politician," just as Social Democrats do in full dose Communist literature. For Welch (a Taft supporter and McCarthy stalwart), the Eisenhower administration was a betrayal which could only have had Communists at its source. "For many reasons and after a lot of study," Welch writes, "I personally believe (John Foster) Dulles to be a Communist agent." "Allen Dulles is the most protected and untouchable supporter of communism, next to Eisenhower himself, in Washington." Arthur H. Burns' job as head of the Council of Economic Advisers "has been merely a coverup for Burns' liaison work between Eisenhower and some of his Communist bosses." "The chances are very strong that Milton Eisenhower is actually Dwight Eisenhower's superior and boss within the Communist Party." As for Dwight Eisenhower himself, Welch states unequivocally:

"There is only one possible word to describe (Eisenhower's) purpose and actions. That word is treason." "My firm belief that Dwight Eisenhower is a dedicated, conscious agent of the Communist conspiracy," he continues, "is based on an accumulation of detailed evidence so extensive and so palpable that it seems to put this conviction beyond any reasonable doubt." Discussing what he terms Eisenhower's "mentality of fanaticism," Welch refuses to accept the idea that Ike may just be an "opportunistic politician" aiding the Communists. "I personally think he has been sympathetic to ultimate Communist aims, realistically willing to use Communist means to help them achieve their goals, knowingly accepting and abiding by Communist orders, and consciously serving the Communist conspiracy for all of his adult life."

2. The Birchers impugn the integrity and patriotism of those at the head of the major social and economic groups of the Nation. In a supplement to the February 1961 Bulletin, Welch announced that "Communist influences" are "very powerful in the top echelons of our educational system, our labor union organizations, many of our religious organizations, and of almost every important segment of our national life. Insidiously but rapidly the Communists are now reaching the tentacles of their conspiracy downward throughout the whole social, economic, and political pyramid." Thus, the National Council of Churches of Christ is Communist minded, and from 3 to 5 percent of the Protestant clergy have been called actual Communists. "Treason," Welch further declares, "is widespread and rampant in our high Army circles."

The American Medical Association has been "took" and can no longer be depended upon for support in the fight against socialism. So too with the U.S. Chamber of Commerce, which has been preaching dangerously liberal and internationalist doctrines in its courses on practical politics. (When chamber leaders protested this slur, Welch replied that their outraged reaction was exactly like that of the State Department in the 1940's when charges of Communist infiltration were first raised.) The leadership of our universities, corporations, foundations, communications media—all are riddled with Communists, or "Comsymps" (a word Welch coined to avoid having to say whether a given person was a real party member or only a sympathizer).

Naturally, Welch and his colleagues are certain that these "Comsymp" elites are out to destroy him and his movement. References to persecution and images of martyrdom abound in Birch literature, ranging from incessant mention of how the patron saint (Senator McCarthy) was driven to his death, to suggestions that Welch may be murdered one day by the Communists.

3. The Birchers are convinced that the Communists have gone so far in penetrating American politics that there is little hope in the existing political system. In his letter to Khrushchev, Welch wrote that the Communists obviously intended to "maintain and increase (their) working control over both our major political parties." We cannot count on "politicians, political leadership, or even political action." Though he advocates the nomination, on an American Party ticket, of Senator BARRY GOLDWATER for President, and J. STROM THURMOND for Vice President in 1964, Welch has warned his followers that even GOLDWATER—the most "Americanist" figure around in politics at the moment—is "still a politician" and therefore not to be relied upon. Welch has also had some things to say about "Jumping Jack" Kennedy. According to Welch, the Nation received "the exact Communist line * * * from Jack Kennedy's speeches, as quickly and faithfully as from the Worker or the National Guardian. * * *" And in 1959, Welch denounced the "Kennedy brat" for "finding the courage to join the jackals picking at the corpse of McCarthy."

A particularly revealing sample of Welch's sense of American political realities is found in his description of the Eisenhower steal of the Republican nomination in 1952, one of the "dirtiest deals in American political history, participated in if not actually engineered by Richard Nixon." If Taft had not been cheated of the nomination, Welch predicted:

"It is almost certain that Taft would then have been elected President by a far greater plurality than was Eisenhower, that a grand rout of the Communists in our Government and in our midst would have been started, that McCarthy would be alive today, and that we wouldn't even be in this mess."

4. Most of the Birch Society's positive program consists of advocating the repeal of things or the removal of the Nation from something or somewhere. A partial list of the things that the society describes as wicked, Communist, and dangerous includes: U.S. membership in the United Nations, the International Labor Organization, the World Health Organization, the International Trade Organization, and UNICEF; membership in GATT (the General Agreement on Trades and Tariffs); reciprocal trade agreements; the useless and costly NATO; so-called defense spending; all foreign aid; diplomatic relations with the Soviet Union and all other Communist nations; the National Labor Relations Act; social security; the graduated income tax; the Rural Electrification Administration, the Reconstruction Finance Corporation, and TVA; Government wage and price controls; forced integration; deliberately fraudulent U.S. Government bonds; the Federal Reserve System; urban renewal; fluoridation; metro government; the corporate dividend tax; the mental health racket; Federal aid to housing; and all programs regimenting farmers.

Some items on this list may be opposed by conservatives or by liberals. But taken together, it adds up to a nihilist's plea for the repeal of industrialism and the abolition of international politics. Such a program can be called rational or even political only by people who do not know what those words mean.

5. Finally, the Birch Society advocates both "direct action" and "dirty tactics" to "break the grip of the Communist conspiracy." Unlike those right-fundamentalist groups which have energetic leaders but passive memberships, the Birchers are decidedly activist. "Get to work or learn to talk Russian," is a slogan Welch recommends to his followers, and they are certainly hard at work. From national headquarters in Belmont, Mass., Welch formulates a set of complementary national and local action programs, then issues them to members through directives in the bulletin and contacts with chapter leaders. A mixture of traditional and fundamentalist techniques is prescribed. The local programs include infiltration of community organizations such as PTA ("to take them away from the Communists"); harassment of "pro-Communist" speakers at church meetings, political gatherings, and public forums; creation of local front groups (e.g., the Committee Against Summit Entanglements, College Graduates Against Educating Traitors at Government Expense, the Committee To Impeach Earl Warren, and the Committee To Investigate Communist Influences at Vassar College); campaigns to secure endorsement of Birch positions and signatures for Birch petitions in all groups that Birch members belong to (e.g., veterans and business organizations); letters and telephone calls to local public officials, leading citizens, and newspapers who support what the society opposes or oppose the society directly; monthly telephone calls to the local public library to make sure it has copies of the five rightwing books recommended by Welch every month.

The national campaigns are carefully pinpointed efforts. They range from letter and postcard writing to national advertising campaigns. In the past 2 years, Birchers have been told to: write the National Boy Scouts director and demand to know why the president of the National Council of Churches addressed their national jamboree; insist personally and in writing each time a member flies American, United, or Eastern Airlines that they stock Human Events and National Review on their planes; write to Newsweek to protest a "pro-FLN Communist" story (the society has a crush on Jacques Soustelle), to Life protesting the "glorification" of Charles Van Doren, and to the NBC network and the Purex Corp. for sponsoring a TV drama favorable to Sacco and Vanzetti; circulate petitions and write letters on the No. 1 project of the moment, to impeach Chief Justice Warren and thereby "give the Communists a setback." Welch also sends out the copy for punchy postcards to be addressed to national political leaders. To cite instances in 1960 alone: to Ambassador Henry Cabot Lodge, Jr., at the U.N., "Two questions, Mr. Lodge: Who murdered Bang-Jensen? And which side are you on?"; to Secretary of State Christian Herter, "Castro is a Communist. Trujillo is an anti-Communist. Whose side are you on?"; and to President Eisenhower, on the eve of the scheduled summit conference, "Dear President Eisenhower: If you go, don't come back."

The last postcard stirred some protests from society members, who felt that Welch's savage little message to the President was a bit too strong. Welch set them straight in the Bulletin: "It is one of our many sorrows that, in fighting the evil forces which now threaten our civilization, for us to be too civilized is unquestionably to be defeated." The Communists, he continued, want us to be "too gentle, too respectable * * * [but] this is not a cream-puff war * * * and we do mean business every step of the way." Welch admitted that the technique of planted and loaded questions and the disruption of meetings was a "dirty trick," but he still defended it as another vital tactic.

To stimulate compliance by members with the local and national efforts prescribed each month in the Bulletin, Welch has devised the MMM system, or "member's monthly memos." These forms are filled out by the member detailing what he or she has done and including sundry observations on the "Americanist fight." They are then collected by the chapter leader and transmitted to Belmont. Welch and his staff, according to the Bulletin, spend much time going over the MMM's.

So far, the Birch Society has been successful in attracting to it some highly substantial figures in local communities—physicians, stockbrokers, retired military officers, lawyers, businessmen (particularly small and middle-sized manufacturers in the Midwest and South), and professionals, many of whom have become local chapter leaders and State coordinators. The council of the society is a veritable board of directors of right-fundamentalism: men like Col. Lawrence Bunker, Cola G. Parker, T. Coleman Andrews, Clarence Manion, and Spruille Braden. Among the contributing editors and editorial advisory committee for American Opinion are J. B. Matthews, William S. Schlamm, Kenneth Colegrove, J. Bracken Lee, Ludwig von Mises, Adolph Menjou, J. Howard Pew, and Albert C. Wedemeyer. In several communities, observers of the society have noted a significant number of 30- to 40-year-olds joining the organization. Welch has stated that half of the society's membership is Catholic, that there are some Jewish members, and that there are Negroes also—two segregated locals in the South and integrated chapters in the North.

Press reports suggest that most of the society's members already had strong affiliations with other rightwing groups before the Birch Society was formed. What Welch hopes to do is build a 1 million member organization by welding together the masses of right-fundamentalist joiners into the fighting educational and pressure arm of the John Birch Society. In the Bulletin and American Opinion, Welch continually offers flattering salutes to various rightwing groups, publications, and personalities, stressing that Americanists can work in several forums at once for the cause. In May 1961, for example, Welch listed two pages of other anti-Communist groups which he endorsed and urged Birchers to support. These included the American Coalition of Patriotic Societies, the American Council of Christian Laymen, the Cardinal Mindszenty Foundation, the Catholic Freedom Foundation, the Christian Crusade, the Freedom Club (of Los Angeles), Freedom in Action (Houston), the Intercollegiate Society of Individualists, the Network of Patriotic Letter Writers (Pasadena), and We, the People (Chicago). In turn, Welch's appearances are often sponsored by such groups: The Freedom Club of Rev. James Fifield arranged his Los Angeles rally, and the Sons of the American Revolution sponsored his Houston appearance.

To a large extent, Welch's personal selflessness and his salesmanship have already made him a rallying point for the fundamentalist right, and no recent rightwing group comes to mind which has achieved so large and solid a dues-paying and working membership. In a world of Communist advances in Asia and Africa, pressures on Berlin, vast changes in the relation of white to colored populations throughout the world, the Birch Society has developed a thoroughly satisfying way for the thin-lipped little lady from Wichita or the self-made manufacturer of plumbing fixtures in North Carolina to work in manageable little daily doses against "the Communists." The cancer of the unquestioned international Communist menace and the surgery of local pressure on the PTA and public library—here is a perfect appeal for right fundamentalism. This highlights the fact that the society's most successful efforts to date have not been on the national scene but on the soft underbelly of American democracy—those places where a minimum of pressure can often produce maximum terror and restrictive responses. Welch has stressed that school boards, city colleges, local businesses, local clergy, and similar targets are the ones to concentrate on. Above all, Welch has brought coordination to the fundamentalist right—coordinated targets, coordinated meetings and rallies, and coordinated pressure tactics. "All of a sudden," the director of a Jewish community council in one city reflected, "the rightwingers began to function like a disciplined platoon. We have had to contend with precision and saturation ever since."

II

If this is what the society advocates and how it functions, what are its immediate and long-range prospects? In the short run, the society has lost one of its most potent weapons—the element of secrecy. Those in local communities who felt the sting of Birch campaigns during 1959–61 report that it was the factor of surprise at these sudden fundamentalist pressures and the unawareness of their organizational source which threw them off balance. Now, however, the society has been brought into public view. Its authoritarian character and extremist statements have been attacked in both liberal and conservative newspapers; by important Catholic, Protestant, and Jewish leaders; and by political figures as diverse as Richard Nixon, President John Kennedy, Attorney General Robert Kennedy, Representative Sam Rayburn, Senator Thomas E. Dodd, and even Senator Barry Goldwater himself. The fact that a prominent leader of the society who had been chosen as Washington lobbyist for the American Retail Federation was hastily discarded in June by the federation because of his Birch affiliation indicates that recent publicity has damaged the society's claim to respectability. One midwestern Congressman known for his open advocacy of rightwing movements felt it wise recently to seek out liberal leaders from his community and explain privately that he did not support the Birch movement. Increasingly, those "solid" figures who joined the group when it was operating privately will have to face public disapproval of the society, and this will probably cause some falling away among borderline conservatives.

In the longer perspective, however, there are three specific factors which deserve mention in assessing the society's potential growth. The first is the authoritarian character of the group and the centralized control exercised by Robert Welch (a situation which has led Senator GOLDWATER to criticize Welch directly). According to the charter of the society, Welch is the absolute leader; there is no accounting of dues or contributions; there is no representative process or democratic system for selecting programs or defining positions; and Welch has the power (which he has used) to expel any member or chapter for reasons sufficient to him, without right of hearing or appeal on the expulsion. This has produced widespread criticism of Welch as a "little Hitler" and the society as a group run on Fascist lines. However, Welch has stressed again and again that members can disagree with him; that he doesn't expect any member to carry out a project which violates his conscience; and that the society definitely opposes an "enforced conformity" within its ranks. The controls, Welch explains, are needed to prevent Communist infiltration of the society—which he believes has already begun or will certainly begin as the society becomes more effective—and infiltration by hatemongers. This blend of leader principle and group self-protection has great appeal to right-fundamentalists and even to some rightwing conservatives. The authoritarian setup makes fine ammunition for liberal and mainstream conservative fire, but this is not likely to harm Welch a bit in his recruiting among fundamentalists.

A second factor is Welch himself. The fantastic allegations he has made in "The Politician"—even though the book has not been endorsed by the council and is, indeed, repudiated by some members—have branded him as an unbalanced figure and convinced many stanch conservatives that Welch is a truly dangerous leader. The conservative Los Angeles Times recently did a thorough exposé of the society and wrote a stinging editorial which read Welch out of the conservative camp. Out of self-defense, Republicans in California joined in with the Times (especially in condemning Welch's attacks on Eisenhower), for the Birchers were proving so effective in pulling the Republican Party to the far right that some counterattack was felt to be essential. Welch himself has been highly equivocal about "The Politician." He insists that it was a private letter and never published, though he does not deny its authenticity. In the May 1961 issue of the Bulletin, he alludes to "questions or criticism from some of our most loyal members" relating to "The Politician." To these, he replies that, "the considerations involved in connection with many such matters are varied, overlapping, involved, and with too many ramifications to be explained in short compass. There are even times when, for reasons of strategy, we take an oblique approach to a specific objective, and fully to explain every step of our course would seriously handicap our effectiveness." Having decided not to say anything at all, Welch assured members that if he, "could give * * * the whole background of events" then objections might turn into approval, and with this, he dropped the subject of his magnum opus.

Those members and leaders of the society who find anything to criticize in "The Politician" (and many have fully endorsed the charges it featured) have stressed that Welch is entitled to his personal views and that their disagreement with him on Ike or the two Dulles brothers indicates how free and diverse the society is.

In all probability Welch's talents as an organizer, salesman, proselytizer, and unifier of rightwing ranks overweigh (for the rightwing aristocracy) his tactical blunder in "The Politician." Since he controls the society fully, he is not likely to be replaced, and, indeed, there is no indication that an acceptable replacement is available either in the society or outside it. As long as he heads the society, however, "The Politician" will severely limit his credibility outside fundamentalist strongholds.

A third factor relating to the Birch Society's immediate prospects is the question of anti-Semitism. Repeated charges have been made that the society is a genteel endorser of anti-Semitic persons and literature. Welch has recommended to his members such anti-Semitic publications as Russell Maguire's American Mercury and Merwin K. Hart's Economic Council Newsletter. Hart—who often talks about a conspiracy of "Zionists and their confederates" controlling America and whose organization was described by a congressional committee investigating lobbying as one which relies on "an ill-concealed anti-Semitism"—is presently leader of the Birch Society's Manhattan chapter No. 26. In addition, such open anti-Semitic spokesmen as Conde McGinley have rushed to endorse the Birch Society. In the March 15, 1961, issue of Common Sense, McGinley wrote: "Inasmuch as we have received many inquiries from all over the United States regarding the John Birch Society, we want to go on record. We believe this to be an effective, patriotic group, in good hands."

On the other hand, Welch has always appealed to all religions, has urged Jews to join the society, and has warned that it is a "Communist tactic to stir up distrust and hatred between Jews and Gentiles, Catholics and Protestants, Negroes and whites." Much of the April 1961 issue of his Bulletin is devoted to a discussion of the allegation that the society is anti-Semitic, and what Welch has to say there is well worth close examination.

He opens by noting that "the most vicious" charges leveled against him have come from "such notorious anti-Semites as Lyrl Clark Van Hyning (Women's Voice), and Elizabeth Dilling (the Dilling Bulletin) on the grounds that my various committees and supporters are nothing but a 'bunch of Jews and Jew-kissers.' * * *" He then cites the names of Jewish members of the society such as Willi Schlamm, Julius Epstein, Morrie Ryskind, the late Alfred Kohlberg, and Rabbi Max Merritt, and indicates that it has been endorsed by the American Jewish League Against Communism (a Jewish right-fundamentalist group). Next, Welch explains that he probably has "more good friends of the Jewish faith than any other Gentile in America." When he was in the candy manufacturing business in Massachusetts, he recalls, he had many Jewish customers; he drank coffee in their kitchens at midnight, borrowed money from them and lent them money in return, and engaged in every kind of business and social activity with Jews.

Turning to some specific accusations, Welch admits that he used a pamphlet by Joseph Kamp as a source for his book "May God Forgive Us," and also paid Kamp a hundred dollars to go through "The Life of John Birch" to find errors. This was in 1954. But later, he says he became "aware of both the fact and the weapon of anti-Semitism in America, and I wanted no part of the whole argument." He had nothing further to do with Kamp after the 1954 contact, but he adds that he still simply doesn't know enough to say whether Kamp is really anti-Semitic.

Welch goes on to relate that a person who had been trying to convert one local chapter into "a hotbed of anti-Semitism" was dropped from the society, and he pledges that the society will never become a haven for anti-Semitic feeling "so long as I am directing its policies." After several additional paragraphs explaining why no member of the Jewish faith can also be a Communist (and pointing out that Karl Marx was "probably the most vicious anti-Semite of all times"), Welch concludes with the following warning:

"There is only one real danger in the charge of anti-Semitism today, to the man who actually is not anti-Semitic. It is that the utter (and in some cases malicious) unfairness of the charge may cause him to react with anger against Jews in general, and then begin to let some of his feeling creep into his writings or his speeches. That brings on even more vitriolic attacks, with a few more straws to support them. And so the development continues until the man in question winds up actually becoming violently anti-Semitic. And he seldom realizes that this was the Communist game and purpose all along, of which the majority of Jews who innocently helped the Reds to implement it were as unaware and innocent as the ordinary Methodist who supports the National Council of Churches. And many an anti-Communist fighter of great promise in America has had his career ruined and his effectiveness destroyed by letting himself fall into that carefully prepared trap."

This will never happen to him, Welch declares; to his "thousands of Jewish friends" he pledges, "I shall remain your friend, no matter what happens." (One other bit of information bearing on Welch's attitude is that he has been consistently anti-Nasser, viewing the Arab nationalists as aiding the Communists in gaining control of the Middle East.)

All the evidence available at the moment suggests the presence of a certain ambivalence in the Birch Society on the matter of anti-Semitism. Welch himself seems to be personally without bias toward Jews, and he wants the society to reflect this position. Yet there is no doubt that some local leaders and members are well-known anti-Semites. With one after another of the rabbinical associations and major Jewish civic groups speaking out in complete condemnation of Welch and his movement, there will be rising pressures to respond to the "Jewish attacks." Probably, Welch will continue to allow some light flirtation with the more sophisticated anti-Semitic spokesmen. But it is a testimony to American maturity and the activities of Jewish defense agencies that open anti-Semitism is seen as a dead end today for any "middle-of-the-road right-wing organization."

One final aspect of the society should be noted. Welch's writings have a remarkable combination of fantastic allegation and sweet reasonableness. Along with his proposals advocating drastic action against the Communist agents all over America will go reminders to be polite while making menacing telephone calls to local officials, to exercise self-restraint when attacked unfairly, and to take no action which violates "moral principles." "It is a major purpose of the John Birch Society," he often explains, "one never to be overlooked by its members, to help in every way we can—by example as well as precept—to restore an abiding sense of moral values to greater use as a guide of conduct for individuals, for groups, and ultimately for nations." If there are some right-fundamentalists to whom this sort of passage sounds a bit like the National Council of Churches, the total blend of warm-hearted, main-street vigilantism is still appealing to the majority of Welch's followers.

Whatever the specific prospects for the Birch Society—and I consider them unhappily bright—the 1960's will surely be years of expansion for the fundamentalist right in this country. Several things point toward that conclusion.

First, this will be a decade of immense frustration for American foreign policy. We will witness increased neutralism among the new nations; increased militancy among the nonwhite peoples over questions of color; constant military and scientific pressures from the Russians and, soon, the Chinese Communists; diminished American influence in the United Nations; greater conflict in Latin America; and continued outlays of foreign assistance which do not "buy loyalties" or "deliver votes" on critical issues. If the United States can simply prevent these situations from exploding, most informed students of diplomacy would think we had done well. But cutting losses inflicted by the stagnant 1950's and preparing hopeful future positions is not going to appeal to the right-fundamentalist masses (or the frantic pacifist variety on the left either). The right is unshakable in its faith in unilateral solutions and its belief that each loss for America can be traced to a Communist agent or "Comsymp" in the CIA, at the New York Times, in the Cathedral of St. John the Divine, or at the Yale Law School. And the inescapable strategic retreats of the early 1960's (Laos is a good example) will lend fuel to the fires on the right.

Second, the domestic racial issue also poses a serious threat of a rise in right fundamentalism. In the 1960's the struggle for Negro equality will move increasingly into areas outside the South. Lower middle-class and middle-class resentments against Negro neighbors and Negro competitors are bound to increase. The crescendo of Negro militancy and the spreading use of Government power to enforce civil rights will peel away the already thinned layers of toleration in many sectors of the Northern and Western population. In this area of public policy, groups like the Birch Society—which are not explicitly anti-Negro but oppose compulsory integration—have a promising position, and the reservoirs of white hostility, unless carefully and wisely channeled by both white and Negro liberal leaders, could fill the well of the fundamentalist right to overflowing.

Third, there exists the distinct possibility of an unprecedented coalition of Catholic and Protestant right fundamentalists in the 1960's. Only those who know little about the history of American Catholicism would assume that this is a monolithic community. Yet many factors suggest that the 1960's may see an even deeper division of American Catholics into warring ideological factions than has obtained at any time in the past. Already some influential Catholics are complaining bitterly that President Kennedy has joined the liberalist establishment, that he has been selling out Catholic Church interests, and that the administration of the first Catholic President may go down in history as the softest on communism. This is far from the dominant view among American Catholics. Indeed, it may represent the last thrashing of the old, superloyalist element in the American Catholic community—a group which will be goaded to extremism by the sight of an aclerical, literate, sophisticated Catholic liberal in the White House Under these conditions, and with the magic memory of Joseph McCarthy to help bridge the chasm of the Reformation, the fundamentalist Protestants and the fundamentalist Catholics may enter into an alliance (possibly inside the Birch Society).

But perhaps the central question mark for right-fundamentalism in the 1960's is not issues or groups but a man—Senator BARRY GOLDWATER, of Arizona. At the moment, he is the beloved crusader of the right and he has given his fundamentalist supporters every possible encouragement. Before very much longer, however, as the jockeying for position in 1964 begins, GOLDWATER will have to decide whether he wants to be a Republican presidential hopeful and Senate leader or the head of an ideological crusade. If he chooses two-party politics, GOLDWATER will have to undercut the Birch Society, for it could embarrass him by its extremism, and it is not under his control. (Already, GOLDWATER has called on Welch to resign because of his authoritarian controls and his charges against Eisenhower.) Many experienced observers of Washington politics doubt whether GOLDWATER has the personality and the paranoia to become a fundamentalist ideologue and wander in a political wilderness. However, if GOLDWATER should lose the Republican nomination to someone like Nelson Rockefeller and if he were to decide that there was no hope for his ambitions within the GOP, he could mold the fundamentalist right into a cohesive movement which would assume immediate political influence.

These, then, are the factors which point to a resurgence of the far rightwing in the 1960's. But, it should be said on the other side, a rejuvenated and expanded liberal movement is also likely to develop in the United States during the next few years. The signs are already present on American college campuses, where a decade of student apathy and fatalism is giving way to a revival of both liberal and (respectable) conservative political commitment. Whether the Kennedy administration will move from its first year of dreary if realistic compromise to give direction and enthusiasm to the liberal cause remains to be seen. At any rate, the resources are there to be marshaled, and they are potentially our greatest protection against the mounting right-fundamentalist threat.

CASPER, WYO.

Mr. McGEE. Mr. President, I wish to call attention to an article published in the summer 1961 issue of "Petroleum Today." The article is entitled "Town on the Go," and was written by Peggy Simson Curry, who is a personal friend of the present occupant of the chair, my colleague from Wyoming [Mr. HICKEY]. The article is the story of Casper, Wyo., a vigorous, restless, and exciting blend of frontier heritage and modern industry. The article describes the very rapid rise of this community out in the prairies, a rise that was encouraged largely by the discovery of oil in the area. Among the interesting attributes of Casper's rise has been the play on names among some of the community personalities. For example, one colorful early pioneer was called "Give a Damn" Jones, a nickname, of course, referring to one of his favorite expressions. Another was "Puzzle Face" Reed, who earned his title at the poker table. Still another was "Hard Winter" Davis. Still another, "Sod Corn" Gore. The Lucas brothers were referred to as "Big Bones" and "Little Bones." That was a reflection on some of their extracurricular activities.

The citizens of present-day Casper have an inherited fondness for nicknames. Ben Scherck, a realtor whose firm is the oldest in town, is still known as "See Ben" Scherck, on the basis of his catchy business slogan, "A Look Means a Lot."

I read from the article:

In today's Casper, a town of 40,000 as compared to the settlement of 100 when the first well was drilled, two-thirds of the business volume can be traced to petroleum. There are 3 refineries in or adjacent to the city, 3 interstate pipelines, 78 oilfield equipment houses, 28 oil-hauling concerns, 84 oilfield service houses, 53 oilfield property brokers, 39 consulting geologists and geophysicists, 73 oil company exploration and production offices, and 41 drilling contractors.

Wyoming produces about as much oil as Brazil and Mexico combined. And of the $22 million spent annually for petroleum exploration in Wyoming, it is estimated that 90 percent is spent in and from Casper.

This then is Casper—Indian campground, frontier fort, cow town, sheep town, oil town—imaginative, impulsive, colorful, and, as might be expected from its past history, always on the go.

I ask unanimous consent that the article may be printed in the RECORD at this point.

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

TOWN ON THE GO: CASPER, WYO., IS VIGOROUS AND RESTLESS—AN EXCITING BLEND OF FRONTIER HERITAGE AND MODERN INDUSTRY

(By Peggy Simson Curry)

This was Indian country before the fur trappers arrived. It was Oregon Trail country before the cattle came winding in a long dust from Texas to the wind-rippled grasslands and before the Irish sheepherders danced to concertina music on the summer ranges of the Big Horn Mountains.

Casper sprawls along the banks of the North Platte River in central Wyoming—a town of strong personality, vigorous, restless, cosmopolitan; a land of blindingly bright summer days and winter blizzards, of raging winds and spectacular thundershowers. Casper's history is as violent and full of contrasts as its weather.

You can see the contrasts today. By the river, only 15 minutes by auto from the bustling center of town, across earth where Indian arrowheads are exposed by the fierce brush of wind or the wash of spring rains, is the site of the first white man's cabin in the region, built by a band of trappers in 1812. Almost in the shadows of one of modern Casper's oil refineries stands old Fort Caspar, originally known as Platte Bridge Station. Caspar and Casper, the fort and the town, both were named in honor of Lt. Caspar Collins, who lost his life leading an attack against superior Indian forces in 1865 at the battle of Platte Bridge. (A frontier Army clerk is said to have given the town its incorrect spelling.) The old fort and the modern town frame our story.

When the Oregon Trail migration began in 1840, the covered wagons gathered where the city now stands, and a safe river crossing was established through the turbulent North Platte. Brigham Young camped here in 1847, when a few trappers' shacks and the rutted trail were the only signs of the white man; and the river crossing became known as Mormon Ferry. By 1852 the number of settlers bound for Oregon had reached a peak, and the Indians were no longer placated by presents or platitudes. In 1859 an Army post (Platte Bridge Station) was established.

In 1868 the cattle began to arrive in large numbers, and Judge Joseph Maul Carey established the CY Ranch. The ranch's "poorest pastureland" was to become the site of modern Casper. Oldtimers spoke of Casper as "a town built on buffalo chips," for the earliest residents were alfalfa growers who gathered fertilizer where they could.

Through the streets of the town rode the Hole-in-the-Wall rustling gang, pursued to its remote hideout in the Powder River country by Bob Divine, foreman of Carey's ranch. Bob vowed he'd "bring back anything wearing the CY brand."

One of the most famous of the many inmates of Casper's jail was Red Cloud, great chief of the Sioux, arrested for hunting antelope to feed his people. The record reads that he was "killing game out of season."

The year 1888 was an important one for the town. The first band of sheep arrived in what is now Natrona County. And the first crude buildings, with corrugated iron roofs and floors of packed gumbo, appeared that summer.

In the fall of 1888 there occurred an event that was to have even more lasting effects upon Casper. Some 3 miles from the rough new business houses with their flanking of tent residences the first oil well was drilled, known appropriately as Casper well.

Thus, 2 years before Wyoming became a State, the town built on buffalo chips was beginning to have thoughts of another economic base.

While cowboys and Indians roamed the single main street and the canvas walls of the first homes shuddered and popped under the onslaught of the persistent March wind in the spring of 1889, the Casper Mail carried this item: "The reported oil strike at Casper well last week is still shrouded in mystery. Work has been stopped * * * workmen claiming that the 2-inch cable is broken and the drill is at the bottom of the well. It is a noticeable fact that the manager and his men have been locating oil claims ever since the 'break' occurred."

By June, 90 claims had been filed in the Casper area, most of them in the Salt Creek Field. And while other adjoining oilfields, particularly the Big Muddy, have contributed to the growth of Casper, none has been so significant as the Salt Creek Field, approximately 40 direct miles north of town, on the road toward the Big Horn Mountains. Here, in a basin of prairie, surrounded by wind-carved monuments of rock and lifts of broken ridges, was the scene not only of concentrated oil activity but also of violent claim struggles, bawdy and vigorous camp life. Here was found crude oil that came out of the ground so rich that it was said to be "like no other oil anywhere on earth."

Salt Creek's first well was brought in by the Pennsylvania Oil & Gas Co. in the fall of 1889. While the cattlemen's range wars were beginning and the sheep business was in its infancy, samples of Salt Creek crude oil were on their way to Pittsburgh for chemical analysis. President Phillip Mark Shannon of Pennsylvania Oil, impressed by results of the tests, continued drilling with great success.

The Union Pacific, Denver & Gulf Railway used this "natural" oil for lubrication for many years. During the first 5 months of that time, the oil wasn't even treated, there being no refinery in town.

While growing Casper dealt with murder, cattle rustling, problems of education and street development, oil was being hauled from Salt Creek and other fields by the "string team" method. A local newspaper described this early stage of transportation:

"Two string teams were loaded out from here with 26,000 pounds of piping. One of the teams was made up of 16 head of horses and 4 wagons and when the wagons were coupled out to receive the piping, the entire outfit occupied a space of ground 240 feet long and was the longest string outfit that ever went out of Casper."

Early in 1895 Pennsylvania Oil built the first small refinery in Casper (it was also the first in the State). Politicians, local and national, were subjected to the "45-minute tour." And when they emerged, their shoes and clothing were smudged with oil, but they were smiling.

While dynamic Mark Shannon was heading exploration of Salt Creek, English, French, Dutch, and Belgian businessmen were also becoming interested. Pennsylvania Oil was taken over in 1905 by the Société Belgo-Américaine des Pétroles du Wyoming. This, in turn, was absorbed by a company founded by English, French, and American capital.

But it was the Midwest Oil Co., formed in 1911, that began the most intensive exploration of Salt Creek and built a refinery in Casper and a pipeline and telephone line connecting the town with the field.

There came a time of violent claim disputes; and companies hired line riders, fast on the trigger, to protect their claims at any cost. Often sheriff or deputies arrived too late to prevent bloodshed.

During the latter part of 1916 and most of 1917 Casper became a boomtown. Men in all walks of life deserted professions and business interests to buy and sell oil stock. The Midwest Hotel was a scene of wild speculation. Those who couldn't get expensive hotel rooms for "offices" set up business in the lobby without benefit of desk or filing cabinets. The town overflowed with people, and new companies were formed overnight. But by the fall of 1917 many brokers had gone out of business, and the town settled into a steadier economy. By 1923 three large refineries were running, one of them the largest in the world at that time.

A second oil flourish hit Casper following World War II, when intensive exploration began not only of new areas but also of old ones. The chance of finding uranium provided an added inducement for visitors. With the upsurge of the oil business Casper became known as "Oil Capital of the Rockies."

In today's Casper, a town of 40,000 as compared to the settlement of 100 when the first well was drilled, two-thirds of the business volume can be traced to petroleum. There are 3 refineries in or adjacent to the city, 3 interstate pipelines, 78 oilfield equipment houses, 28 oil hauling concerns, 84 oilfield service houses, 53 oilfield property brokers, 39 consulting geologists and geophysicists, 73 oil company exploration and production offices, and 41 drilling contractors.

Wyoming produces about as much oil as Brazil and Mexico combined. And of the $22 million spent annually for petroleum exploration in Wyoming, it is estimated that 90 percent is spent in and from Casper.

Today's Casper is as colorful as its vivid past. "Nobody ever goes to bed in Casper" is an assumption based on visual evidence, for there are people moving on Center Street any night of the week between dark and daylight. And, as in the days of the frontier, a man's best passport to recognition is the force and individuality of his own character.

It is not considered an anomaly to see a cowboy wearing his high-heeled boots at a gathering where tuxedoes predominate Nor is it considered strange that a wealthy man's friend may be a sheepherder.

The town is creative. Art classes are crowded, night and day, at growing Casper College; and art exhibits hang in banks, cafes, and hotels. Music is a vital interest in the town; and it is often remarked, between pride and laughter, that an amazing number of people turn out to hear anyone play a piano. The community concert series is well supported, and the civic symphony boasts that 15 of its musicians travel more than 100 miles to attend weekly rehearsals. Casper College's theater-in-the-round draws packed houses, and anyone in town is likely to show up in grease paint at the Paradise Valley Play House.

This then is Casper—Indian campground, frontier fort, cow town, sheep town, oil town—imaginative, impulsive, colorful, and, as might be expected from its past history, always on the go.

CIVIL DEFENSE

Mr. YOUNG of Ohio. Mr. President, recent events indicate that the surest way to obtain an appropriation, which might otherwise encounter difficulty in the Congress, is to attach it to the Defense Department appropriation bill.

When the Office of Civil Defense Mobilization requested $104 million for 1962, extensive hearings were held in committees in both Houses of Congress. As a result this boondoggling agency received $85 million, which in my estimation is still too much.

However, after President Kennedy assigned civil defense functions to the Department of Defense, and abolished the boondoggling OCDM agency which has wasted more than $1 billion of public money in the past 9 years, the Defense Department appropriation bill included a request for over $207 million for fallout shelters in Federal buildings. It is my belief that these shelters will be of little use in event of a nuclear attack and that this money will have been wasted. Therefore, I opposed this item and offered an amendment which would have deleted this $207 million request.

This was defeated by a majority vote of my colleagues.

I seriously question whether this money would have been so readily appropriated had it not been for the fact that it was made a part of the total Defense Department appropriation.

It is my hope that in the future we shall give closer scrutiny to civil defense appropriation requests than we have this year. We should not allow the fact that these requests are now part of the Department of Defense budget to cloud our judgment on this vital issue.

Mr. President, a recent editorial, "Hard To Believe In," was published in the St. Louis Post-Dispatch on August 12, 1961. It points out the fact that, although civil defense appropriations have been cut by an average of 74 percent in the past, this year it passed almost without question. It also offers in few words an exceedingly clear commentary on the hopelessness of a shelter program in an all-out nuclear war. The St. Louis Post-Dispatch is one of the Nation's outstanding newspapers and in this editorial its editors, once again, prove its right to this fine reputation.

I commend this editorial to my colleagues and ask unanimous consent that it be printed in the RECORD at this point as part of my remarks.

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

[From the St. Louis Post-Dispatch, Aug. 12, 1961]

HARD TO BELIEVE IN

The House finally went along with the administration's civil defense program, but in attempting to defeat it the House conferees on the defense bill were expressing a profound popular skepticism on the subject. The American people find it hard to believe in civil defense. That is why the House has cut appropriation requests by an average of 74 percent in the past.

Secretary of Defense McNamara has told Congress the administration plan to identify and stock shelters in existing buildings would save "at least 10 to 15 million lives." Of course, neither he nor anybody else can know this. In the event of a massive nuclear attack on our major cities, nobody knows how many people would have warning enough to get into the shelters. If they did get in, the streets and buildings above them might become a mass of rubble and debris which would bury them alive. And, if they survived for a few days they might emerge to find themselves doomed by disease, lack of drinkable water, and safe food. So it is the wildest kind of speculation to guess how many lives would be saved by shelters.

But assuming that an unknown number would be saved, still what boggles the imagination is the number that would not be saved. An all-out nuclear attack, Congress was told would probably cost 40 million casualties. The figure may be conservative. Former Civil Defense Administrator Val Peterson, who advocated spending billions for shelters, conceded that if our entire population had shelter, "at least half of them would die in a surprise enemy attack." With casualties of that magnitude, how can it be supposed that a shelter program would prevent the utter breakdown of national life?

Everybody wants national survival, but which is the more realistic way of seeking it—by trying to make nuclear war tolerable, or by realizing that the only real defense against it is to see that it does not happen?

HONORARY CITIZENS OF SOUTH DAKOTA

Mr. MUNDT. Mr. President, in behalf of my colleague from South Dakota [Mr. CASE] who is necessarily absent today, and myself, it is a pleasure and honor today to be able to bestow upon our 98 colleagues from the 49 sister States of the Union honorary citizenship of our State.

I have with me certificates of honorary citizenship each of which has been appropriately inscribed with the name of the Senator so designated. At the conclusion of my remarks, I shall be most appreciative if the pages will place these certificates upon the desks of the Members.

I should also point out, Mr. President, that honorary citizenship certificates are also being presented to two members of the press corps who have been assigned by their respective wire services to cover the four offices of the South Dakota congressional delegation. They are Mr. Robert Hunt, of the Associated Press, and Miss Marguerite Davis, of the United Press International. Mr. Hunt and Miss Davis have been reporting the news of South Dakota interest for the various newspapers, radio stations, and television stations in South Dakota which utilize one or the other of the wire services. So we of South Dakota feel that they should also be declared honorary citizens, since by nature of their particular assignments they have more than a passing interest in the affairs of our State.

Mr. President, the certificates have been signed by two of our South Dakota officials, the Governor of our State, the Honorable Archie Gubbrud; and the chairman of the South Dakota Centennial Commission, Mr. J. Leonard Jennewein.

The certificates are presented in recognition of the signing of the act establishing the Dakota Territory in 1861. This year, in South Dakota we are observing the 100th anniversary of this act with appropriate ceremonies and celebrations.

One such Dakota Territory Centennial event will be held this Sunday, August 27, at Manchester, S. Dak. It will be Gold Rush Day, an event simulating the early gold-rush days of the Territory. I may point out that one of our more illustrious South Dakotans, Lawrence Welk, will be the honorary marshal of the day's events.

Mr. President, at this time, I think it appropriate to place in the RECORD the text of the certificate of honorary citizenship; and for the RECORD I shall read the certificate we are presenting to our most senior colleague, the distinguished Senator from Arizona [Mr. HAYDEN].

It reads as follows:

DAKOTA TERRITORY CENTENNIAL 1861–1961

The Dakota Territory Centennial Commission extends greetings, and hereby declares that Senator CARL HAYDEN is an honorary citizen of South Dakota and is cordially invited to partake of the beauty and pleasures of the land of infinite variety.

Furthermore, said honorary citizen is invited to visit the land of the Dakotas for the statewide festivities of the centennial year 1961.

ARCHIE GUBBRUD,
Governor, State of South Dakota.
J. LEONARD JENNEWEIN,
Chairman, Centennial Commission.
Senator KARL E. MUNDT.
Senator FRANCIS CASE.

Mr. President, I suggest that in the event Congress adjourns some time this year, we would like to have Senators spend a happy vacation in the beautiful Black Hills of South Dakota.

DEATH OF PERCY W. BRIDGMAN

Mr. BIBLE. Mr. President, on behalf of the distinguished junior Senator from Massachusetts [Mr. SMITH], who is detained in his State on official business, I ask unanimous consent to have printed in the RECORD a statement by him on the death of Percy W. Bridgman.

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

STATEMENT BY SENATOR SMITH OF MASSACHUSETTS

On August 20, 1961, the world of science and men lost one of its foremost leaders and contributors. I refer to the eminent physicist and professor emeritus of Harvard, Percy Williams Bridgman, who was born in Cambridge, Mass., on April 21, 1882, and who has made Cambridge his residence ever since. The distinctions and accolades he received from his fellow men of science and letters are enjoyed by very few other men in the world today.

I submit the following editorial from the Boston Herald of August 23, 1961, which dutifully recognizes the greatness of this Nobel laureate.

"PROFESSOR BRIDGMAN

"Nobel Laureate Percy Williams Bridgman, who died tragically this week at the age of 79, brought unusual distinction to the Harvard and Boston community for more than half a century.

"Dr. Bridgman received the Nobel prize in 1946 for his pioneering work in high pressures and his contributions to thermodynamic theory, but his inquiring mind ranged over the whole field of natural science and beyond. He did important studies in semantics, logic, and the philosophy of science, as well as in physics.

"More important, he concerned himself, when few of his colleagues bothered to do so, with the place of the scientist in the larger community. He warned of the gulf that was opening up between the scientist and the nonscientist a generation before the atom bomb brought this problem into glaring focus.

" 'It seems to me,' he once told a Harvard seminar, 'that scientists are curiously obtuse as to the social conditions which make possible their existence as a class. It is by no means a certainty that society will so evolve that the individual will be allowed to engage in independent intellectual activity.'

" 'If society is ever going to become a place in which intellectual activity is encouraged and intellectual ability prized, those of us who like to think have got to fight for it.'

"Professor Bridgman was one of those who 'liked to think.' He believed that the good scientist, like the searcher for truth in every field, should 'give no hostages to the future.' 'He should follow his leads wherever they took him and state the results without fear or favor.'

"The professor was also astute enough to realize that only a few and precious societies permit such a luxury. His warning should not be lightly forgotten."

COMMENDATION OF SENATOR CLARK

Mr. MANSFIELD. I wish to express my gratitude to the distinguished Senator from Pennsylvania [Mr. CLARK] the floor manager of the bill having to do with retraining the Nation's workers who because of automation have lost their jobs.

In this connection, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "New Skills for the Jobless", which appears today in the Philadelphia Inquirer. The editorial gives the Senator from Pennsylvania [Mr. CLARK] full credit for the great ability and leadership he showed in guiding that bill through the Senate.

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

NEW SKILLS FOR THE JOBLESS

The Senate's action in passing a measure authorizing $655 million to teach new skills to the Nation's unemployed and underemployed workers over a 4-year period indicates an encouraging recognition of the fact that automation, as it is being introduced today, does not automatically solve its own unemployment problems.

This legislation—if it is accepted by the House in its present form—will not answer all the country's needs by any means, and there is question whether it contains sufficient safeguards against misuse of funds. If the House can improve on the bill in these respects it should do so.

But legislation substantially along the lines of this bill, which Senator CLARK has guided through the Senate, is urgently needed, even if its main function is to pioneer the retraining which private as well as public agencies should undertake.

So far attempts at the State and local levels—even in Pennsylvania where the strongest effort has been made—fall short of meeting the needs. Unemployment remains high in the face of a shortage of skilled workers.

The Senate measure by itself cannot be expected to change this but, if it becomes law, it should provide the incentive and opportunity for a substantial number of individuals to set a good example by striking out in new fields. With this to build on, businesses and industries should find it easier to do their part in helping displaced workers acquire new skills.

THE NEED TO EXTEND THE NATIONAL DEFENSE EDUCATION ACT AT THIS SESSION OF CONGRESS

Mr. HILL. Mr. President, when the Committee on Labor and Public Welfare was holding its hearings in January, February, and March of 1958, on the National Defense Education Act, a number of the leading scientists in the country testified to urge upon the committee the importance of passing this legislation to strengthen our educational system for national defense. Among the group of eminent scientists who appeared before the committee were Dr. Detlev W. Bronk, President of the National Academy of Sciences and National Research Council; Dr. Lee A. DuBridge, president of the California Institute of Technology; Dr. I. I. Rabi Higgins, professor of physics at Columbia University, and past Chairman of the President's Science Advisory Committee; Dr. Frederick L. Hovde, president of Purdue University; and Dr. Edward Teller, who is generally considered to be the father of the H-bomb.

Mr. President, there can be no doubt that the National Defense Education Act has assisted greatly in strengthening our educational system. However, the job has just started; and it is absolutely necessary that the act in its entirety be extended this year, so that the programs which now are in existence can be continued without letup or confusion.

A number of eminent scientists have just released a public statement urging the Congress to extend the act before the adjournment of the first session of the 87th Congress. As they so aptly point out, unless the act is extended now, the school year of 1961–62 will inevitably be one of confusion, uncertainty, and partial loss of the gains already made. This statement has been signed by:

Dr. Detlev W. Bronk, president, National Academy of Sciences, president, Rockefeller Institute, formerly president, Johns Hopkins University; Dr. James B. Conant, presently engaged in a study of the American public schools under a grant from the Carnegie Corporation of New York, president-emeritus, Harvard University, formerly U.S. Ambassador to the Federal Republic of Germany; Dr. Lee A. DuBridge, president, California Institute of Technology, formerly member of the President's Scientific Advisory Committee; Dr. Frederick L. Hovde, president, Purdue University, Chairman of the Task Force Committee on Education for President-Elect Kennedy; Dr. James R. Killian, chairman of the Corporation of the Massachusetts Institute of Technology, formerly Special Assistant to the President of the United States for Science and Technology, formerly, Chairman, President's Scientific Advisory Committee; Dr. George B. Kistiakowsky, professor of chemistry, Harvard University, formerly Special Assistant to the President of the United States for Science and Technology, formerly Chairman, President's Scientific Advisory Committee; Dr. W. A. Noyes, chairman, department of chemistry and dean of the graduate school, University of Rochester; Dr. Thomas Park, president, American Association for the Advancement of Science, professor of zoology, University of Chicago; Dr. J. A. Stratton, president, Massachusetts Institute of Technology.

Mr. President, I ask unanimous consent that this statement may be printed in full at this point in the RECORD.

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

CONCERNING THE NATIONAL DEFENSE EDUCATION ACT

We, the undersigned, are disturbed by the serious damage which will be done to the vital program of the National Defense Education Act if the Congress fails to extend that act before adjournment of the 1961 session. If action is delayed until 1962, State Legislatures which must appropriate matching funds, school and university officials who must now plan for the 1962–63 academic year, and students whose educational plans are in part dependent on NDEA programs will be unable to plan with confidence. Unless the act is extended now, the school year of 1961–1962 will inevitably be one of confusion, uncertainty, and partial loss of the gains already made.

The National Defense Education Act, enacted by Congress in 1958, provided major help toward the improvement of science and mathematics instruction in the Nation's schools and colleges. Specifically it has:

1. Enabled thousands of high schools to secure laboratory equipment, library books, and teaching facilities in science and mathematics that they would not otherwise have obtained.

2. Enabled many States to engage the services of science and mathematics supervisors or scientific consultants to help classroom teachers improve their teaching of science and mathematics. These supervisors and consultants have been particularly helpful in introducing new and improved texts and teaching materials in science and mathematics.

3. Offered financial help to high school graduates who have the desire and ability, but not the money, to go to college. Among these students, preference has been given to those who want to specialize in science, mathematics, engineering, or foreign languages.

4. Helped universities—widely scattered over the United States—to develop new or improved programs for graduate students.

5. Aided graduate students who want to become college teachers, and who will be needed for the much larger college enrollment that must be expected in the next few years.

6. Provided similar improvements in the teaching of foreign languages.

These results of the National Defense Education Act have benefited students who wish to become scientists, mathematicians, or engineers. They have benefited students who plan on careers in other fields but to whom a knowledge of science is an essential part of education for intelligent participation in the affairs of a scientific and technically oriented world. In benefiting these two groups the National Defense Education Act has started to make an important contribution toward strengthening the Nation that both groups will serve.

The job is well started, but far from complete. The National Defense Education Act has been in effect for only 3 years. The first year was largely one of tooling up. The second and third were years of growth and improvement. There is good momentum now. However, failure to extend the National Defense Education Act this year will bring many of the gains to a halt. Extending the act this year will enable the Nation to continue to build upon the improvements that have already been started. These improvements in science education are too vital to the welfare of the Nation to allow the act to be weakened.

(The signers are making their statement as individuals and not in affiliation with any organization.)

DETLEV W. BRONK.
JAMES B. CONANT.
LEE A. DUBRIDGE.
FREDERICK L. HOVDE.
JAMES R. KILLIAN.
GEORGE B. KISTIAKOWSKY.
W. A. NOYES.
THOMAS PARK.
J. A. STRATTON.

THE WOMAN SUFFRAGE AMENDMENT

Mrs. SMITH of Maine. Mr. President, on August 26, 1920, women in the United States, regardless of State laws to the contrary, were given the right to vote. This struggle for equality was long and sometimes bitter.

There were some who believed that women were too high, too pure, to engage in the rough and tumble work of politics. There were some who believed that women had not the education or talent for casting a ballot. But there were also those men and women who believed that woman voting was the necessary responsibility and privilege of living in a democracy and all women, as well as all men, should have that right.

Certain States granted women the franchise, but this was usually done only after gruelling referenda campaigns to change the State constitution. More campaigns were lost than were won, but they educated the voters by showing that women did want to vote.

The justice of votes for women demanded that it become part of our Constitution. For such a foundation of democratic society deserves to be proclaimed as such in our Constitution.

Women had worked for a long time for a constitutional amendment. While the women were working in their States, others, like Susan B. Anthony—for whom the 19th amendment is named—worked a lifetime for amendment to the U.S. Constitution.

On August 26, we should remember all those men and women who believed that women must take full responsibility for their citizenship. We should remember all those men and women who worked so that women might become citizens in a truly great democracy.

PEACE CORPS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. HUMPHREY. Mr. President, I move the unfinished business, the Peace Corps bill, S. 2000, be laid before the Senate.

The ACTING PRESIDENT pro tempore. Under the order, the unfinished business automatically comes before the Senate.

Under the unanimous-consent agreement, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The bill is open to further amendment.

Mr. CURTIS. Mr. President, I call up my amendment, **"8-22-61—H,"** but before it is read I ask to modify the amendment in accord with the substitute language, and ask that the amendment, as modified, be read.

The ACTING PRESIDENT pro tempore. The Senator has a right to modify his amendment.

The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 42, between lines 2 and 3, it is proposed to insert a new section, as follows:

FOREIGN LANGUAGE PROFICIENCY

SEC. 22. No person shall be assigned to duty as a volunteer under this Act in any foreign country or area unless at the time of such assignment he possessses such proficiency as his assignment requires in speaking the language of the country or area to which he is assigned and, in the event such language is a written language, in the reading and writing of such language.

Mr. CURTIS. Mr. President, I ask unanimous consent to have an explanation of my amendment printed in the RECORD.

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

STATEMENT BY SENATOR CURTIS

Many complaints are repeatedly leveled at several aspects of our diplomatic and foreign economic programs. A few days ago, during debate on foreign aid, I pointed out that 15 years' experience in that program has elicited two major criticisms from even its stanchest proponents. One is a lack of efficiency in foreign aid programs and projects—that we may be falling far short of a dollar return for a dollar spent. The second is that foreign aid, in many instances, supports corrupt governments which are unpopular. Aid fails to reach the average man, and this Nation becomes, in his mind, an ally of a disliked or despised local government.

In the diplomatic area, a widespread complaint is that foreign service personnel too often are not conversant in the language of the assigned country. This creates an awkward barrier which reduces substantially the effectiveness of otherwise capable individuals. The State Department is to be commended for its diligence in correcting the problem. Graduates of the Foreign Service Institute receive intensive training in foreign languages, and become competent in the tongue of the country where they are stationed. This intensive work, on the part of the Department of State, will undoubtedly pay dividends in the years ahead.

It is reported that about the first question asked of an ambassadorial nominee, by the chairman of our Foreign Relations Committee, is whether that nominee speaks the language of his designated country. I am gratified to learn that a surprisingly large majority of the nominees have been able, in recent years, to answer the chairman in the affirmative.

Now we are embarking on a new program in foreign affairs. The Peace Corps is a unique adventure of this administration which proposes a service not now performed by foreign assignees—diplomatic or military, or by Americans who serve as missionaries or as representatives of American business in foreign lands. Prudence should compel us to demand that Peace Corps personnel speak the language of the countries wherein they serve. A person-to-person approach, which seems to be the essence of Peace Corps service, would surely be thwarted from the start if a language barrier exists.

For most countries this poses no great problem. From our millions of young people, we can surely draw a sufficient number expert in the languages of Western Europe and Latin America. In areas where strange tongues and native dialects are the medium of exchange, the specific language must be learned with appropriate facility as a prerequisite to assignment.

I am offering an amendment to accomplish this objective. Without it we stand to squander time, talent and funds. Without it, we assume the risk of launching a new venture in a leaky vessel. Our relations cannot be improved, our prestige cannot be elevated, by promulgating a new program glaringly deficient in its first instance.

Mr. CURTIS. Mr. President, the revised edition of the amendment, as well as the original which was printed, is self-explanatory. My object is to require that any volunteer serving in any area must be able to speak the language of that area with reasonable proficiency, and, if the particular area has a written language, he also must be able to show proficiency in reading and writing the language.

Mr. President, the amendment, as originally drawn, would have required this of all personnel. After I conferred with the distinguished Senator from Minnesota, we agreed that an absolute blanket requirement might create certain difficulties. The revised language, which is before the Senate as my modified amendment, provides in substance that whenever the assignment so requires a volunteer serving under the Peace Corps must be able to speak the language of the place where he is serving and, if it is a written language, he must be able to read and write it.

It is conceivable there will be a few people sent to areas for short periods of time as to whom the requirement perhaps would not be necessary, because they serve in many places.

I should like to ask the distinguished Senator from Minnesota, who assisted in the drafting of the revised edition of the amendment, a few questions about our intent.

Mr. HUMPHREY. Yes, indeed.

Mr. CURTIS. It is my understanding, in which I hope the distinguished Senator will concur, that under the amendment as now drawn, if a volunteer is sent to an area to remain there, to live and work with the people in the area, the intent is that he must be able to speak the language.

Mr. HUMPHREY. The Senator is correct. I should like to give an example or two.

If a volunteer were sent to Nigeria, where, of course, the official language is the English language, indeed English proficiency would be the only requirement. However, if a volunteer were sent to an area such as one of the former French colonies, where the official language is French, he would have to be able to speak French.

As I understand the intent of the amendment, if a volunteer is to work with the people of the area and is to be on location for a considerable period of time providing services or instruction, he would be required to be proficient in the language to meet the requirements of his duties.

If the volunteer were to be in the area for a brief period of time, perhaps being transferred from one place to another, and not assigned to full-time work, we might say—being in one area only a month or so and then in another area only a month or so, in a semisupervisory capacity—he would not necessarily have to be able to speak the language.

I wish to make it quite clear that I think language proficiency is very helpful, no matter for how long a period of time a person may be on location in a particular country, and no matter what his work may be.

Mr. CURTIS. Yes.

Mr. HUMPHREY. This applies to the volunteers. As the Senator understands, it does not apply to administrative personnel or even to the country representative, who is included in administrative personnel.

Mr. CURTIS. I thank the Senator.

The program is submitted to the Congress as a people-to-people program.

Mr. HUMPHREY. Yes.

Mr. CURTIS. These young folks will contribute either for good or for evil to the image which people around the world have of the United States. It is the intent of the Congress that these young people who spend time with and who mingle with the people in other lands, in order to carry out a project, should be able to communicate with them in the language of the particular country or of the part thereof in which they are working.

As I say, if there is a written language the volunteer should be able to read and write it. Does the Senator concur?

Mr. HUMPHREY. I concur. So that we will have no misunderstanding, because the Senator and I have attempted to work this out to mutual satisfaction, let us presume that a man is a geologist and goes to a country where it is not necessary for him to be able to address large student groups or civic groups.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. HUMPHREY. Mr. President, I understand there are 5 minutes on each side. I yield the time on my side, to meet whatever are the needs.

If the man had what we might call a working knowledge of the language and could communicate, though he did not necessarily have expert knowledge, his ability to communicate would be adequate.

Mr. CURTIS. Yes. The type of employment with which we are primarily concerned is that employment in which the young person mingles with the local people, visits in their homes, and assists them in carrying out the program. We feel that such people must be proficient in the language not only of the country but also of the particular part of the country in which they serve.

With that understanding, I am happy to accept the revised language of the distinguished Senator from Minnesota, and I hope the amendment will be agreed to.

Mr. HUMPHREY. Mr. President, the amendment is perfectly agreeable. I thank the Senator from Nebraska for his courtesy and his cooperation in working out these arrangements.

Mr. President, I yield back any remaining time I have.

The ACTING PRESIDENT pro tempore. The remaining time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Nebraska, as modified.

The amendment, as modified, was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HICKENLOOPER. Mr. President, on behalf of my colleague from Iowa [Mr. MILLER], who is unavoidably absent attending a meeting this morning which it was necessary for him to attend, I call up amendment designated "8-24-61—C," and ask to have it stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 16, between lines 4 and 5, it is proposed to insert a new subsection as follows:

(c) Training hereinabove provided for shall include instruction in the philosophy, strategy, tactics, and menace of communism.

Mr. HICKENLOOPER. Mr. President, I do not think it will be necessary for me to use the entire 5 minutes allotted. The amendment is completely self-explanatory. All one has to do to explain the amendment is to read it. The amendment provides that "training" of these people "shall include instruction in the philosophy, strategy, tactics, and menace of communism."

That is perfectly clear. The amendment has been discussed by my colleague from Iowa [Mr. MILLER] and the Senator from Minnesota [Mr. HUMPHREY]. I understand the Senators are in substantial agreement on it. I offer the amendment in behalf of my colleague.

Mr. HUMPHREY. Mr. President, I yield myself 1 minute.

What is proposed in the amendment is now being done in the course of study in the training centers. I felt that the Senator from Iowa had a definitely valid point, because we surely wish to have these young men and women, when they go to these far-off places where they will be up against pretty tough competition on the part of many Communist agents and Communist propagandists, to be fully acquainted with what they will face.

The purpose of the amendment is to complete the instruction of these people in what one might call a political counteroffensive.

I accept the amendment. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER].

COMMENT ON THE NEW SOVIET COMMUNIST PARTY PROGRAM

Mr. KEATING. Mr. President, will the Senator yield 1 minute at that point?

Mr. CURTIS. I yield whatever time the Senator desires.

Mr. KEATING. It seems to me that this would be an appropriate place in the RECORD, in the light of the proposed amendment, which is salutary, in my judgment, to present a very thoughtful analysis of the new Communist Party program as outlined by Soviet Prime Minister Khrushchev in July. This has been prepared by Dr. Laszlo Bartok, a former Hungarian career diplomat, former permanent delegate to the League of Nations in Geneva, and Minister to Austria until 1947. He has provided an analysis which is very illuminating. It is a part of continuing studies on communism by the Assembly of Captive European Nations. Dr. Bartok has good reason to know the wiles and perfidies of Soviet communism. As Dr. Bartok points out:

The program is full of contradictions, lies and distortions, and false professions.

But as Dr. Bartok also points out, it nevertheless represents a "terrific menace against Western civilization."

Mr. President, Dr. Bartok's analysis is rather lengthy for inclusion in the full CONGRESSIONAL RECORD, but I should like to ask unanimous consent to include the conclusions which he has reached.

The text is available to any Senators who may be interested. I ask unanimous consent to have his conclusions printed at this point in the RECORD.

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

CONCLUSIONS

1. The new party program reiterates the declaration of war made by the Communist Manifestos of 1957 and 1960 against capitalism and foremost against the capitalist central power, the United States, a war to be fought with political, economic and military means short of thermonuclear weapons if possible.

2. Khrushchev, the presumed author of the program seems to be fully aware that a nuclear conflict may decisively shatter the Soviet Union's military and economic potential which is the power basis of the world socialist system. Also, he is certainly aware of the Soviet people's extreme reluctance to go to war especially after the fantastic prospects in the improvement of their life depicted by the party program.

3. Therefore, when taking a stiff decision to conclude a peace treaty with East Germany by the end of the year, Khrushchev is seemingly basing its strategy on his firm conviction that the Western public opinion could not withstand the Soviet psychological and political pressure and it will ultimately force the Western governments to make concessions rather than to plunge mankind in a nuclear catastrophe. The party program expressly reckons with the defeatism of a large segment of the Western bourgeoisie.

4. This official order of thought of the Soviet leadership corroborates the assumption that in case of a Western stiffness over Berlin, Khrushchev may go to the brink of war owing to his belief that he may not risk a nuclear holocaust through this tactic. It seems extremely important for the Soviet dictator to triumph over Berlin in order to

make his leadership even more respected within the Communist bloc and abroad especially in Africa, Asia, and Latin America. Moreover a Western retreat over Berlin would demonstrate the growing political force of communism, and particularly Khrushchev's personal ability to level with the "imperialists."

5. The party program is not only a blueprint for global Communist subversion, but an important piece of propaganda since it forcefully attempts to refute by untrue assertions all Western arguments and evidence against the terroristic and tyrannical character of the Communist regimes and against the global danger of the Communist promoted "social revolutions" and "liberation wars."

6. Part two of the programs which gives a fantastic picture of the hitherto unmatched well-being and happiness of the members of Communist society, a well-being to be attained within a relatively short period, is apparently aimed primarily at impressing the newly emerged nations who are on the crossroad to choose the form of their regime. These nations do not know that the Soviets have been compelled to recently introduce the death penalty for crimes of slowing down industrial production and that Khrushchev had to attack vehemently several of his colleagues at the January central committee meeting over the deplorable state of Soviet agriculture.

7. Thus, unfortunately these new nations and masses of low standard of living elsewhere on the globe, may give credence to these fantastic Communist promises as well as the program's assertion and in case of a worldwide Communist victory, there would be everlasting peace and thus no country would need to maintain armies anymore.

8. These peoples may give credence to all these utopian predictions simply on the ground of the factual "miraculous" technical achievements of the Soviet Union, believing in the assertions of the Communist propaganda that the Communist system is capable to bring about similar incredible miracles even in the spheres of social and economic life of mankind within a relatively short period.

9. The unceasing assertions of Communist propaganda that the final victory of communism is an unavoidable historical development, coupled with the diminishing Western influence in the undeveloped nations and with the regrettable inability of the Western powers to conceive a unified Western political strategy against the global Communist strategy inside and outside the United Nations, certainly are such factors which may induce nations (threatened directly or indirectly by Communist aggression) to revise their foreign policy originally based on the assumption that the West will be able to counter Communist expansion.

10. The fact that communism was able to build up its image in the eyes of peoples in Asia, Africa, and Latin America as the greatest defender of peace, freedom, and self-determination is primarily due to the irremediable failure of Western policy and propaganda to ceaselessly expose both the Soviet aggressions in Eastern Europe and the institutional violations of the basic human rights by the Communist regime. The Western propaganda has also failed to relentlessly and continuously repeat the undeniable facts that the nationwide Hungarian Revolution of 1956 was carried by the indoctrinated students, workers, and soldiers who were regarded by Moscow as the most reliable elements of the Hungarian people.

11. Thus, it is mainly due to this Western failure that the authors of the new party program are so confident to be able to convince peoples that it is the Soviet Union and not the West who fights for the genuine freedom and happiness of mankind.

12. Finally the new party program which faithfully mirrors Khrushchev's philosophy based on the recent changes in the world and on the obsolescence of the party program of 1917 written by Lenin, is apparently aimed at hightening the prestige and stature of Khrushchev within the "world socialist system" still before the 22d party congress which opens on October 17, 1961. Although Khrushchev was not yet placed officially on the same pedestal as Lenin, one should not forget that after the fiasco of the Paris summit meeting, Defense Minister Marshall Malinovsky already called Khrushchev as "our teacher," in his speech of May 30, 1960. No Soviet leader was called "teacher" except Lenin and Stalin. Therefore it may be expected that the 22d Soviet Communist Party Congress will equate the personality of Khrushchev with the historical greatness of Lenin.

The ACTING PRESIDENT pro tempore. Do the Senators yield back their remaining time?

Mr. HUMPHREY. Mr. President, I have yielded back the remainder of my time.

Mr. HICKENLOOPER. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER].

The amendment was agreed to.

Mr. HICKENLOOPER. Mr. President, I call up my amendments "8-24-61—B" and ask that they be stated.

The ACTING PRESIDENT pro tempore. The amendments of the Senator from Iowa will be stated.

The LEGISLATIVE CLERK. On page 11, line 7, after the comma, it is proposed to insert "not to exceed 275 in fiscal year 1962,".

On page 11, line 8, before the comma, it is proposed to insert "and Peace Corps representatives abroad as provided in section 7(e),".

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendments of the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, as the bill now stands, there is no limit on the number of employees that could be hired to administer the operation. I think there should be a limit. I have discussed this question with the Senator from Minnesota. As I understand—although the Senator, of course, will speak for himself—we are agreed that a reasonable limitation would be a total of 275 administrative officials, which would include stenographers, administrative people, and officers who administer the program, but would not include the country representatives who may be sent abroad. They are excluded from the proposed limitation. The second part of the amendment attempts to take care of that question.

Mr. HUMPHREY. The Senator is correct.

Mr. HICKENLOOPER. My own feeling is that 275 people are far too many for the proposed assignments. I think it is an extravagant limit for an operation such as the one proposed. I would prefer that the limit be much lower, but being a realist in some degree, I believe it would be better to have a limit even though the limit is much more than I think is necessary. The amendment fixes a limit of 275, exclusive of those officers who serve as country representatives, under section 7(e) of the bill.

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

Mr. HICKENLOOPER. I yield.

Mr. HUMPHREY. The provision would not include consultants who may be called upon.

Mr. HICKENLOOPER. No. The amendment does not include consultants.

Mr. HUMPHREY. But it includes the full-time employees in the administrative division.

Mr. HICKENLOOPER. The full-time employees in the administrative division.

Mr. HUMPHREY. Other than the country representatives. The Senator has been very considerate on this question. Personally, I believe it is good to have a ceiling. I hope that the full ceiling will not be utilized.

Mr. HICKENLOOPER. I certainly hope so, because I think it is absolutely unnecessary to have available the amount of money requested for that purpose, but the amendment would fix a ceiling.

Mr. HUMPHREY. Mr. President, I yield back the remainder of my time.

Mr. HICKENLOOPER. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Iowa [Mr. HICKENLOOPER].

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HICKENLOOPER. Mr. President, I had submitted a proposed amendment along the lines of the amendment which was voted upon yesterday, which would reduce the total amount of the authorization from $40 million to $30 million. The amendment that was voted upon yesterday would have reduced the authorization from $40 million to $25 million. The proposed amendment of which I now speak would increase that proposed ceiling from $25 million to $30 million.

However, I feel very definitely that the issue was substantially met yesterday. The Senate has discussed it, and I believe everybody understands what it provides. I do not see that going through the discussion again would accomplish any useful purpose if I did call up the amendment. If I did so, I would insist upon a yea-and-nay vote. I frankly see no particular purpose that would be served by doing so. Therefore, for the benefit of those who anticipated that I would call up the amendment which would reduce the authorization from $40 million to $30 million, I should like to say that I believe the issue was substantially settled yesterday, and I would not care to take the time of the Senate today to "plow the same ground," practically. Therefore, I do not intend to call up the amendment.

Mr. HUMPHREY. Mr. President, I thank the Senator. I thank him for his cooperation also in the discussion of the bill.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2000) was ordered to be engrossed for a third reading and was read the third time.

Mr. HUMPHREY. I yield 1 minute to the Senator from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. President, the authorization of a permanent Peace Corps, which we are considering today, represents a major step forward in improving human relations on an international scale.

It will provide the means for doing something which accords with our national character, something which we have talked about for a long time but which, unfortunately, we have heretofore done too little about: Helping people on a person-to-person basis whatever help is needed.

And the success which I am sure will crown this effort will, by contrast, show to the world the cynicism of what Mr. Khrushchev called "genuine Communist humanism" in his recent speech at a Soviet-Rumanian rally.

The success of a permanent Peace Corps, at least operationally, is indicated by the fine leadership so far provided by the Peace Corps Director, the Honorable Sargent Shriver.

Mr. Shriver has organized the unorganized; he has tapped the great reservoir of youth's idealism and channeled it into useful performance. As I have said many times, wisdom is not the monopoly of those with gray hair. Throughout history, it is the youth of the world who have carried the banners of ideas and progress, who have brought civilization a more intelligent view of its destiny.

Too often, I feel, the rest of the world gets a misleading picture of America and its people. It may be because those who represent us abroad, by necessity, are not usually the "plain people" of whom Lincoln spoke.

We need more plain people to carry our story to the plain people elsewhere in the world—people who farm and can teach others to farm; carpenters who can build and can help others learn the art; and teachers and nurses and the managers of small industries who can likewise encourage others in distant lands to make a better life for themselves and their neighbors.

A permanent Peace Corps will help to accomplish these things and, in the process, provide a new dimension of the meaning of freedom in the world.

Mr. DIRKSEN. I yield 3 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, now that the bill to establish the Peace Corps and to authorize funds for its operation has had its third reading, I should explain why I have not spoken on a subject in which I have been very much interested. Many of my own personal friends and neighbors have participated in setting up the Peace Corps, to the point where it is today, and I did not want anyone to think that I was promoting it or supporting it for purely local or personal reasons. The fact is that even before I knew that any of my own neighbors were to participate in the establishment of the organization it seemed to me like a worthwhile experiment. I do regard it as an experiment, an experiment in human nature and for human welfare.

We have tried many ways to get on friendly terms with all the other peoples of the world. I find people much the same the world over, regardless of their race or creed or other circumstances. They have the same fears and the same desires. We have tried to promote our friendly relations with them in various ways. We have spent enormous amounts of money very generously—even extravagantly. We have cajoled; we have used strong talk. Recently the missile has been shaken very much. Yet all the methods we have used seem to have failed or at least partially failed up to this time.

It seems to me that we should not give up in trying to win our objective, which is to be on friendly terms with all the rest of the world.

I believe this experiment of people getting acquainted with and trying to do good and be helpful to other people is a program which is certainly worth trying. I have the greatest hopes for its success, although we must expect that there will be some individual failures in the program. It cannot be otherwise. However, all in all, it gives promise through a method we have not really tried up to this time.

Mr. DIRKSEN. Mr. President, I yield myself 3 minutes.

This is a brandnew governmental adventure. It articulates what has been discussed over a long period of time as a kind of people-to-people program with governmental sanction. It can be an incandescent success or it can be a monumental failure. If it is a success, I think a large share of the credit can be attributed to the devotion and dedication of the Director, Mr. Sargent Shriver. If the program is a failure, it will probably fail because of certain intrinsic difficulties that the program will encounter abroad.

It is interesting to note that this program, in the form of the bill now pending, is a far cry from the first idea advanced a good many years ago by Mr. Heinz Rollman, of Waynesville, N.C. I gather that he was really the father of the so-called Peace Corps idea. His background is rather intriguing. His own statement, which appears in the hearings, indicates that more than two decades ago he was a refugee from Hitler's Germany. He became eminently successful in the business of manufacturing shoes. As I understand from his statement, he operates shoe plants in many countries in South America and in many other countries throughout the world. He was a refugee, having that sense of humanity and touch of kindness, and his idea was probably a natural reflection of his feeling and the difficulties which he encountered in his earlier days. However, he had a more ambitious plan. His plan was to recruit 5 million mature people and send them abroad. He was willing, even, to put his plan on the basis of conscription.

Before the committee, Mr. Rollman expressed great doubt about the Peace Corps plan, largely because he was afraid that immature young persons would not be able to cope with the conditions with which they would be confronted in the countries to which they would be assigned. He thought it was work for far more mature people. However, it is rather interesting to think of the transformation of his idea of some huge estimate that would put a 5-million-person peace army into every corner of the earth under the program which is now before the Senate.

Mr. President, we must accept this program on faith. I voted for the cut from $40 million to $25 million. I am sorry that that amendment did not prevail. The program ought to be kept on a token basis until we can better determine what its success will be. I shall support the plan, even though I have some misgivings about it. But it will be our responsibility, after a year or two, to make a careful examination and to scrutinize thoroughly the results and the impact of the program in the countries where it has been accepted. If the results are unfavorable, then I think it will be the obligation and the responsibility of Congress to liquidate it just as quickly as we embraced the idea and brought the new agency into being.

So I accept the program on faith. For that reason, I shall vote for the bill. If there were behind it that spirit of dedication and zeal on the part of all field workers which is found in the charitable organizations which have been conducting this type of work for many years, there is no doubt that it would be a success. That is one of the imponderables in the program. That, too, we must accept on faith.

Mr. HICKENLOOPER. Mr. President, will the Senator from Illinois yield time to me?

Mr. DIRKSEN. Mr. President, I yield to the Senator from Iowa whatever time he desires.

Mr. HICKENLOOPER. Mr. President, somewhat after the fashion expressed by the Senator from Illinois, I approach the proposal of the Peace Corps with mixed emotions. The basic idea of sending Americans, especially young persons, to have intimate contact with the peoples of other countries, in the less-developed areas, has an appeal, if it is successful. And, of course, it has a romantic appeal to youth. It offers an opportunity to see strange and exotic places and to eat strange and exotic food. I predict that many of the persons chosen will have the opportunity of saying whether their cooked alligators should be fricasseed or fried, or their iguana should be hung for a certain length of time, so that the meat will be tender enough to eat. There will probably be various experiences of that kind.

Quite likely these people will experience some hardships. I imagine that when they understand the purpose of the Peace Corps and what they are expected to do, they will have a far worse time than they anticipate. It will not be a picnic. On the other hand, it may be less effective. Although I do not have accurate figures, not having had a recent review of them made, I am told that, according to reports, there are some 135,000 missionaries who are dedicated, spiritually and physically, to the assistance of people in the less-developed areas of the world. They are people of all denominations and of all groups. They are not entirely or strictly devoted to spiritual evangelism. Among them are doctors and technicians; 135,000 of them are in all parts of the world.

Still, even those dedicated people, of all kinds and types of religious or spiritual bent, have not been able to move us substantially toward peace or toward the mutual understanding which is our goal. In the light of that experience—and it has been going on for a good many years in this country; missionaries have been sent from the United States since almost the first days of our independence—and the fact that they have not been able to reorient the less-developed countries of the world toward our ideas of freedom and the dignity of man, I am not quite certain how youths from this country will bring that salvation to the world in a short period of time. In other words, I am merely trying to be realistic.

When the bill comes to a final vote, I shall vote for it, because of the principle that if we can do anything which will substantially contribute to a better understanding among peoples, we should do so. But I hope we will not delude ourselves by thinking that this idea, which has been given so much fanfare and advertising, is the answer to the question of human relationships throughout the world in respect of political and social thinking.

As was stated yesterday, the program originally was planned to cost from $3 million to, at the most, $10 million. The bill authorizes the appropriation of $40 million, which those in charge of the program cannot possibly spend this year. Yesterday, I tried to have the total amount of authorization reduced to $25 million, which would be more than they would be able to spend this year; but that amendment was defeated. So those in charge of the program will have access to a great amount of money.

The participants in the operation will be very well treated, indeed, for they will not now be the sacrificial group originally proposed. Sacrifice will not really be a part of the so-called Peace Corps, because those who participate will be provided with everything except fancy salaries. The Peace Corps volunteers will not be paid fancy salaries; but they will receive maintenance, health care, retirement, tenure credits—all the things that go with Government employment, except good salaries; and they will receive their keep, their health-care requirements, their food, their clothing—everything. So the operation is no longer to be a sacrificial one. It will be an interesting and a rather exotic and bizarre experience for many of them. I hope they will actually get down to work with the people of other countries. Under the program, the plan is now to send out geologists, and to send English teachers to the Philippines. Of course, we have been sending English teachers to the Philippines for more than 50 years; but now the Peace Corps is to send English teachers there. I do not know how that will help the people there to plant palm shoots, and so forth, and get their produce to the market; but this high-level operation will go on.

We already have had the ICA and the international cooperation program and other programs, under which thousands of our people have been sent all over the world. It seems to me that as this program becomes more fixed, the administrators will become more expansive in their ideas in regard to the treatment of the program. At first I said that if the program was handled by dedicated people who would work with almost a missionary zeal in helping the people of other countries, they would be able to do some good in some of those countries; and I shall be willing to go along with the program. I still am willing to go along with it, because I think it may be of some help. But I think it has become extravagant and is now creating some delusions as to what its real purpose eventually will be.

Again I point out that there is nothing new about this idea, because we have been sending missionaries—agricultural missionaries, technicians, medical missionaries, and others—from the United States to other countries for 150 or 160 years. Again I point out that the best information I have been able to obtain recently indicates that we have 135,000 of them over the world at the present time.

All I am saying today is that after passing a bill which in my judgment is extravagant and calls for the authorization of more appropriations than can possibly be used in the program—according to the figures of its own administrators—a bill which has been changed from the original total cost of $10 million, to which Mr. Shriver testified in March, to $40 million at the present time, and I do not know what the amount will be next year—we should certainly keep watch on the program and its development.

I believe that next year we should ascertain what progress, if any, has been made. I am perfectly willing to give the program sympathetic attention next January or February, when it comes before us again.

There will not be 2,700 employees by the end of the fiscal year; even the officials of the program admit that. Two thousand is the most they will have then. They now have only 600. The average for this fiscal year will be only approximately 1,400. But their basis is a total of 2,700 employees. It was in view of that situation that I attempted to have the total authorization set at $25 million; but that amendment has been rejected.

Nevertheless, Mr. President, so far as the bill is concerned, it now appears obvious that the bill will be passed, without any question. I support the idea behind it; but I shall continue to oppose the extravagance and the change of direction which has occurred during the last several months in connection with the program. I hope the program can be returned to that of a dedicated organization, one of service and of zeal and of real dedication and sacrifice, which is what it must be if it is to be effective and accomplish the purposes we all hope it will accomplish.

The idea behind the program is a very high-sounding one, and it has excited a number of people. However, not as many people are excited about it now as there were at first.

But I am perfectly willing to give the program a trial, even though, as I have stated, I shall continue to oppose many of the extravagant and, as I regard them, unwarranted features of the bill.

Mr. DIRKSEN. Mr. President, I have received no further requests to yield time on the bill. Therefore, I yield back the remainder of the time under my control.

Mr. MANSFIELD. Mr. President——

Mr. HUMPHREY. Mr. President, I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I urge the passage of the Peace Corps bill. I believe the bill will have the overwhelming support of Members of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] certainly has rendered distinguished service, throughout the debate, by offering amendments which will strengthen the concept, which, as he has so aptly stated, will be on trial during the next year or so.

In a sense, this organization is of a new type, and it will be on trial. But I am confident that under the direction of Mr. Shriver, who has tried to make a solid concept out of the Peace Corps, it will live up to expectations. If it does not, of course, means will be found to exercise due scrutiny, and corrections can be made at the proper time.

I think great credit should also go to the distinguished senior Senator from Minnesota [Mr. HUMPHREY], the floor manager of the bill, who has shown perspicacity, understanding, and tolerance, and certainly is wholeheartedly in favor of the proposal upon which we shall vote shortly. He has been his usual good-humored self. He knows the bill backward and forward. He is able to see the points of view of others, and to arrive at reasonable accommodations.

Now that the distinguished minority leader has spoken in favor of the bill, even though he would have preferred to have some further amendments adopted, I hope the bill will be passed speedily by both Houses of Congress, and that the program will get underway very shortly.

Mr. HICKENLOOPER. Mr. President——

Mr. HUMPHREY. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I call attention to a misinterpretation which went out over the news wires yesterday afternoon. I shall read from the news ticker item in regard to the adoption of my amendment, or the joint amendment, providing that not more than 75 Peace Corps men can be assigned to serve other international organizations. That amendment was adopted yesterday.

But a misinterpretation was sent out over the news wires. It is entirely erroneous; it is not correct in any respect, so far as I know. I now read the news ticker item:

The Senate approved a modified amendment by HICKENLOOPER providing that no more than 75 Peace Corps men could be assigned to serve with other international organizations, such as the United Nations or oversea missionary groups.

Mr. President, nothing in the amendment would prevent service with missionary groups.

Mr. HUMPHREY. Or with any of the voluntary organizations.

Mr. HICKENLOOPER. Yes. Those are not the international organizations which are referred to in the amendment. The dispatch creates an entirely incorrect impression. We have often stated that the work could well be done with other such organizations, including our missionaries, in areas where they have had experience.

Mr. HUMPHREY. Exactly.

Mr. HICKENLOOPER. So I hate to have such an erroneous interpretation issued, when there is nothing to that effect in the amendment.

Mr. HUMPHREY. Mr. President, I thank the Senator from Iowa for making this correction. Certainly we had a complete understanding about the amendment. We were referring to the agencies of the United Nations—the established, governmental, international organizations—and not to voluntary or private organizations.

Mr. HICKENLOOPER. That is correct.

Mr. KEATING. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. KEATING. Mr. President, the Sovereign Order of Malta, with which the Senator from Minnesota may be familiar, has through its nearly 1,000 years of existence, dedicated itself to the care of the sick, the wounded, refugees, and needy. It has established and operates research centers, missions, hospitals, sanitariums, and dispensaries throughout the world using modern methods to fulfill the age-old precepts of Christian charity.

It has also done magnificent work among lepers all over the world. Thousands of lepers have been cured through the direct efforts of this order. Others have been benefited, not only through medical care, but through the social rehabilitation projects of the order.

It would be entirely appropriate, would it not, for the Peace Corps to cooperate with the Order of Malta—not by giving them money, which they do not want, but I have had an indication that perhaps they would have a great interest in using the services of Peace Corps volunteers in countries where many lepers are located.

In the judgment of the Senator, would it not be entirely in keeping with the spirit of this legislation for Peace Corps volunteers to work with the Order of Malta in connection with work in those countries?

Mr. HUMPHREY. There is certainly nothing in the legislation that would prohibit it. Each of the voluntary organizations must be considered on the basis of its work and the contractual relations they will enter into. Let me make it clear that there is nothing in the legislation to deny that possibility. In fact, the legislation is directed toward encouraging cooperation with recognized, reputable voluntary organizations.

Mr. KEATING. I thank the Senator. I yield to the Senator from Idaho [Mr. CHURCH].

Mr. CHURCH. Mr. President, I have listened with great interest to the remarks of the distinguished Senator from Iowa. We sat long hours in the deliberations on this bill in the Foreign Relations Committee. I know of the constructive role he played in the legislation. Many of the amendments suggested by him were adopted by the committee, and I think they have served to strengthen the bill.

However, I respectfully disagree with him when he charges that this is an extravagant program. I would say it is a modest program. Only 2,700 corpsmen are contemplated. The $40 million authorization is less than one one-hundredth of what we appropriate to sustain our general foreign aid program all over the world.

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

Mr. CHURCH. I yield.

Mr. GORE. It is almost identical with the cost of the fertilizer plant in South Korea which we have yet found almost unusable. Is that correct?

Mr. CHURCH. I think that is correct, and I thank the Senator for his very pertinent comment.

The amount of money we are authorizing here is less than one one-thousandth of what we have authorized this year alone for the military forces. So I do not think it can be charged that this is an extravagant program.

Indeed, I hope the pilot effort this bill embraces will prove so successful that we can expand the program in the future.

Last year I had the opportunity to make an extensive trip through Africa, which carried me into 16 African countries, over a distance of some 22,000 miles. I discussed the concept of the Peace Corps with some of the leading African public men. Everywhere the response was affirmative. But I will remember best, I think, the expression of one African leader who said, with regard to our existing foreign aid program, that it was rather like water on a water wheel; that money, either in the form of grants or loans, may be useful in turning the wheel once, but the money is then lost in the stream below. When we send young Americans who believe strongly in free institutions, who are trained to do useful and constructive work in the newly emerging countries, to assist in projects that are helpful to them, but who will also, in the process, become acquainted with the Africans themselves, we will be sending young ambassadors of our own way of life who will make a more lasting impression upon the people with whom they come in contact, and in the long run will be of greater benefit to the United States and the way we shall come to be regarded in remote parts of the world, than money alone can ever accomplish.

I think that is the promise of the Peace Corps. It represents the only innovation, the only "new start" we are making in our aid program abroad. I think we ought to support it strongly.

The distinguished Senator from Iowa has mentioned the great work that has been done by the fine missionaries of the United States in many foreign lands. No one would gainsay his statement. But those missionaries are primarily concerned with religious and humanitarian work. The new African countries have other problems to cope with. They do not need massive inoculations of money. Their economies are not sufficiently advanced to make it possible for them to absorb large sums of capital. They desperately need trained persons who are civil engineers, who can assist them in rudimentary reclamation projects, or in laying out roads into the hinterland; teachers capable of assisting them in the primary and secondary levels of education; agricultural extension agents; and people who are trained in accounting and other specialties that are so badly needed in establishing modern societies.

The Peace Corps offers great promise in the very areas that are most important to the newly emerging countries of Africa and Asia.

Therefore, I think it is worthy of our support, and that it may do more in the long run to build good will toward the United States, and all the wholesome things we stand for, than any other phase of our foreign aid program.

I commend the administration for offering it, and our distinguished assistant majority leader for the fine work he has done, both in sponsoring the legislation, and in managing it on the floor.

I hope the bill will receive the strong endorsement of the Senate.

Mr. HUMPHREY. I yield 2 minutes to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I am a cosponsor of the Peace Corps bill and I have been glad to support it.

I shall not repeat the arguments which have been so ably advanced by other Senators in support of the bill, but I should like to state some additional reasons which make me believe the bill is a very valuable one.

The young people who will be members of the Peace Corps will be able to represent our country in a special and valuable way—in a way that those who represent us in our foreign aid programs and our Foreign Service cannot do. These young people will represent our programs and the purposes of our country in the remote villages and areas of foreign countries, and most of them will be closely associated with their peoples.

Further, I believe the Peace Corps will stimulate the governments and peoples of other countries to undertake larger programs for their young people to work in the villages and remote places of their own countries toward their own development.

I have found, in some countries I have visited, that despite the great need for work—in teaching, agriculture, health—in the villages, the colleges were pouring out young people who were unemployed, who did not know what to do, and it seemed the government did not know what to do with the college graduates—even though great need for their services existed in the villages and crowded cities. Perhaps the example of young Americans working in those communities on basic needs will stimulate the governments of those countries to use their own young people more effectively.

Finally, I point out that the Peace Corps has aroused imagination, and engendered a sense of mission among the young people of our country, I would not wish to do anything to deny or to limit the feeling of responsibility, of mission, of value to mankind which the measure has inspired among young men and women in the United States. This program will do much to stimulate and inspire in young people of our country, the belief that they have a part to play in helping to solve the world problems facing our country today.

Mr. President, these are some of the reasons which led me, at the outset, to support the Peace Corps.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Florida [Mr. HOLLAND].

The ACTING PRESIDENT pro tempore. The Senator from Florida is recognized.

Mr. HOLLAND. Mr. President, I intend to support the proposed legislation because I think it will give to young people of imagination, fervor, and patriotic enthusiasm an opportunity to enlist in their country's service in performing tasks which I think will be most helpful in a peaceful way, and which I am sure will appeal to many of them even more than the opportunity for military service, which they meet willingly if they are challenged with it.

I should have preferred to have the program approached a little more slowly. For that reason I voted for the amendment to cut the first year's appropriation to $25 million. The program is so new, careful selection is so important, and careful and cautious planning and administration is of such great importance to the success of the enterprise, that I should have preferred to proceed more slowly.

I have conferred twice with Mr. Shriver. I find him to be a highly personable, attractive, and dedicated young man who I think will be an inspiration to all the youngsters in this service. He has assured me that in the process of selection of personnel great attention will be given to getting young people, both men and women, who have demonstrated maturity and stability. I emphasize the fact that both those qualities are necessary. I hope they will be carefully determined to be present in the character and qualities of every individual who is selected for this important work.

I shall support the proposed legislation.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized.

Mr. DIRKSEN. I wish to pay a compliment to the distinguished Senator from Iowa [Mr. HICKENLOOPER] for the diligence with which he has followed this whole proposal, both in the committee and on the floor. I believe the bill, as it comes before us for enactment, is a classic example of what can be done by a diligent Senator pursuing his objective, in season and out, offering amendments both in the Senate and in the committee, to improve the ultimate bill on which we shall vote.

Mr. AIKEN. Mr. President, will the Senator yield me 1 minute?

Mr. DIRKSEN. I yield 1 minute to the Senator from Vermont.

The ACTING PRESIDENT pro tempore. The Senator from Vermont is recognized for 1 minute.

Mr. AIKEN. Mr. President, I wish to add to what the minority leader has said. I not only compliment the Senator from Iowa for his work on the bill, which will probably result in a better program, but also for the work he has been doing day after day, year after year, in the Foreign Relations Committee. I do not think people realize the extent to which the Senator from Iowa has assisted in making loosely drawn bills into good bills so that they can accomplish in a sound and efficient manner the purposes for which they are intended.

I am glad at this time to say to the whole world that the Senator from Iowa has been a tower of strength in shaping our foreign policy and keeping it as good as it is.

Mr. HUMPHREY. Mr. President, I shall take only 1 minute.

First, I thank the staff members of the Peace Corps who worked so closely with Senators in the preparation of this proposed legislation and in the difficult days when we were marking up the bill and deciding the adjustments which needed to be made in order to perfect the legislation.

Particularly I wish to compliment Mr. Shriver and his associates for their patience and their helpfulness.

I also wish to thank Miss Mary Ann Sames of the Senate Foreign Relations Committee staff for her work. She has been a real guiding force in the preparation of the report and in helping us with regard to the bill.

I thank the majority leader for his personal references to me and for the handling of this proposed legislation, and I thank my colleagues for their splendid support.

I understand the distinguished Senator from Alabama [Mr. SPARKMAN], who has given much support to this proposed legislation, wishes to make a comment, so I yield to him at this time.

Mr. SPARKMAN. I thank the Senator from Minnesota.

Mr. President, I shall be very brief. I regret that I have not been able to be in the Senate Chamber during much of the time while the bill was being considered. I suppose it is well known that we have been quite busy in the conference committee with regard to the foreign aid program.

We have had to divide forces. The Senator from Minnesota has remained in the Chamber pretty much all the time, as has the distinguished majority leader. Others of us, who have been greatly interested not only in the Peace Corps but also the foreign aid legislation, have been attempting to work out the foreign aid program.

I am pleased that we have reached the point of passage of the proposed legislation. I am pleased that it has come through in the good shape it has. I think it is a good measure. The idea itself is challenging. I have heard very few say otherwise.

I think everyone has felt there ought to be a great deal of care and caution exercised in organizing the program and in preparing the proposed legislation. I believe that has been done.

During my service in both Houses of the Congress, I can recall very few men who have made the fine impression on those who listened to them that was made by the man who is directing this program, Sargent Shriver. I have heard nothing except the most favorable comment regarding the manner in which he has presented the program and the manner in which he has organized it. He has shown initiative and imagination. He has exercised caution. I believe I have never seen a person more dedicated to a program than Sargent Shriver is to this program. Those who have accompanied him in the various appearances made before the committee have also been dedicated.

The proposed legislation was handled sympathetically by the Foreign Relations Committee. I believe it was reported in good and rather conservative form. Sargent Shriver told us that he did not contemplate making a big show immediately; in other words, he will carry out the program gradually in accordance with the best organization which can be built up, under agreements which can be made with the various countries.

I think a great many people all over the country perhaps got the idea, in the beginning, that this was to be a very large program, with hundreds of thousands or millions of people participating. I think a great many may have been surprised when they learned that the most optimistic expressions on the part of those in charge of the program were, for the first year, a maximum number of 2,700.

The amount of money provided in the bill is all that is necessary to support a Corps of modest size, and the Senate saw fit to retain the amount that was requested.

I commend the distinguished Senator from Minnesota for the fine leadership that he has exercised in steering the measure through the Senate. I am glad that we have arrived at this historic point in establishing the Peace Corps.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Rhode Island.

Mr. PASTORE. I thank the Senator. I desire to associate myself with the excellent statement made by the distinguished Senator from Alabama. Recently it was my happy privilege to participate in a private briefing presided over by Mr. Shriver. I was very much impressed. No one need fear that the program is in any but the most capable hands. In Mr. Shriver we have a man who knows where he is going and knows how to get there. The program has been very well designed. It is a magnificent program that I think will do much to promote our good relations with other peoples of the world by the most appropriate means. I desire further to congratulate my good friend from Minnesota for the distinguished and skillful leadership that he gave to the proposed legislation. It is a privilege and a pleasure to endorse it.

Mr. HUMPHREY. Mr. President, I understand that my time has expired.

The ACTING PRESIDENT pro tempore. The time of the Senator from Minnesota has expired.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2000) was passed.

Mr. HUMPHREY. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, the action of the Senate today in passing the Peace Corps bill (S. 2000) is a most significant event. The overwhelming support of this measure by the Senate is most heartening. This measure represents a new, imaginative, and bold venture, to help promote a free and more prosperous world. It is a new frontier of cooperation and assistance in our foreign policy.

I am proud that the Senate has given its approval to this program, which was set in motion by Executive order of the President on March 1. And I am pleased indeed that it has won the support of Senators on both sides of the aisle. This is as it should be for the vast majority of Americans—Democrats, Republicans, and independents alike—have been favorably impressed with this program to enlist skilled and dedicated volunteers in a Peace Corps to help the underdeveloped countries of the world in their struggle to bring a better life to their people.

The bipartisan support for the Peace Corps was evidenced in the Foreign Relations Committee which reported out the bill by a vote of 14 to 0. The backing of S. 2000 by our distinguished committee chairman and the ranking Republican, Senator WILEY, was a major factor in the prompt and favorable consideration of this measure.

I also wish to thank the distinguished minority leader, Senator DIRKSEN, and the senior senator from Iowa [Mr. HICKENLOOPER] for their statements today indicating support of the Peace Corps bill.

I am confident that this bill will be received in the House of Representatives with the same degree of support and enthusiasm as shown here in the Senate—transcending political and geographical lines. It is my fervent hope that before this session adjourns the Peace Corps bill will be approved by the Congress and signed into law by the President.

Mr. JAVITS subsequently said: Mr. President, in connection with the debate on the Peace Corps measure, the Senator from Minnesota [Mr. HUMPHREY] and I addressed a letter to the Department of the Treasury with respect to employees volunteering for the Peace Corps continuing to draw compensation from the companies with which they are connected, assuming there is no conflict of interest under the law, or as to the propriety of such salaries being considered as business expenses.

I am very glad to state that we have received a letter from Mr. Stanley S. Surrey on behalf of the Treasury Department stating that such expenses would be considered appropriate business expenses.

I ask unanimous consent that the letter from the Assistant Secretary of the Treasury Surrey may be printed at this point in the RECORD.

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

TREASURY DEPARTMENT,
Washington, August 11, 1961.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is in further reference to your letter of June 9 to Secretary Dillon, also signed by Senator HUMPHREY, previously acknowledged by Mr. Barr, assistant to the Secretary, in regard to the deductibility by business firms for tax purposes of salaries paid to their employees who are on leave of absence in the national interest, with specific reference to those who will be serving with the Peace Corps. I was much interested in your colloquy with Senator HUMPHREY, reported in the excerpt from the CONGRESSIONAL RECORD of June 8 which you enclosed, in regard to the development of the Peace Corps program.

During World War II, when a similar question arose, the Internal Revenue Service issued income tax ruling 3417 (Internal Revenue Cumulative Bulletin 1940–42, p. 62). This ruling stated that: "Salaries paid by employers during the present emergency to employees who are absent in the military or naval service, or who are serving the Government in other ways at a nominal compensation, but who intend to return at the conclusion of the emergency, are allowable deductions from gross income for Federal income tax purposes." This ruling continued to be in effect during the Korean defense effort.

The Internal Revenue Service has informed me that the principles outlined in Income Tax Ruling 3417 are still applicable in those cases where the circumstances are substantially similar and would be applicable to wages and salaries paid to members of the Peace Corps.

If I can be of any further assistance to you in this matter, please let me know.

A similar letter is being sent to Senator HUMPHREY.

Sincerely yours,
STANLEY S. SURREY.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, following consideration of the bill (H.R. 258) it is intended to bring up for consideration a number of migrant bills, Calendar Nos. 671 to 675, inclusive. I ask unanimous consent on behalf of the manager of those bills, the distinguished Senator from New Jersey [Mr. WILLIAMS], that, during consideration of those bills, Mr. Marvin Friedman and Mr. Paul Nejelski be allowed the privilege of the floor of the Senate during consideration of those bills.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT OF DISTRICT OF COLUMBIA SALES TAX ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 475, H.R. 258.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 258) to amend the District of Columbia Sales Tax Act to increase the rate of tax imposed on certain gross receipts, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia, with an amendment, to strike out all after the enacting clause and insert:

TITLE I—AMENDMENTS TO THE DISTRICT OF COLUMBIA SALES TAX ACT AND THE DISTRICT OF COLUMBIA USE TAX ACT

SEC. 101. Section 125 of the District of Columbia Sales Tax Act, as amended (63 Stat. 115, as amended; sec. 47–2602, D.C. Code, 1951 ed., supp. VIII), is amended to read as follows:

"SEC. 125. For the privilege of selling certain tangible personal property at retail sale and for the privilege of selling certain selected services defined as sales at retail in this title, a tax is hereby imposed upon all vendors at the rate of 3 per centum of the gross receipts of any vendor from the sale of such tangible personal property and services: *Provided,* That the rate of tax with respect to sales of food for human consumption off the premises where such food is sold shall be 1 per centum of the gross receipts from such sales, and that the rate of tax with respect to sales or charges for any room or rooms, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients shall be 5 per centum of the gross receipts from such sales."

SEC. 102. (a) Subsection (a) of section 127 of such Act (sec. 47–2604(a), D.C. Code, 1951 ed., supp. VIII), is amended to read as follows:

"(a) On each sale, other than sales of food for human consumption off the premises where such food is sold, and other than sales or charges for rooms, lodgings, or accommodations furnished to transients, such amounts as may be prescribed by the Board of Commissioners of the District of Columbia to carry out the purposes of this section."

(b) Subsection (c) of section 127 of such Act (sec. 47-2604(c), D.C. Code, 1951 ed., supp. VIII), is amended by striking out "3 per centum" and by inserting in lieu thereof "5 per centum".

SEC. 103. Section 212 of the District of Columbia Use Tax Act, as amended (63 Stat. 126; sec. 47-2702, D.C. Code, 1951 ed., supp. VIII), is amended by striking out the figure and words "2 per centum" and inserting in lieu thereof the figure and words "3 per centum".

SEC. 104. The provisions of this title shall take effect on the first day of the first month which begins on or after the thirtieth day after the enactment of this Act.

TITLE II—AMENDMENTS TO DISTRICT OF COLUMBIA CIGARETTE TAX ACT

SEC. 201. (a) Subsection (a) of section 603 of the District of Columbia Cigarette Tax Act (63 Stat. 136, ch. 146, title VI, sec. 47-2802(a), D.C. Code, 1951 ed., supp. VIII) is amended by striking out the figure and word "2 cents" and inserting in lieu thereof the figure and word "4 cents".

(b) The increase in tax upon cigarettes, as provided by subsection (a) of this section, shall be applicable to all cigarettes in the possession on the effective date of this title of the holder of a wholesaler's, retailer's, or vending machine operator's license under said District of Columbia Cigarette Tax Act, whether or not a stamp or stamps denoting payment of tax at the rate of tax in effect prior to the effective date of this title shall have been affixed to such cigarettes.

SEC. 202. Within twenty days after the effective date of this title, every holder of a wholesaler's, retailer's or vending machine operator's license under said Act shall file with the Commissioners a sworn statement in duplicate on a form to be prescribed by the Commissioners showing the number of each kind of stamps denoting payment of cigarette taxes affixed to packages of cigarettes held or possessed by such licensee or anyone for him at the beginning of the day on which this title becomes effective, and shall, at the time of the filing of said statement, pay to the Commissioners the difference between the amount of tax represented by such stamps and the amount of tax imposed by the District of Columbia Cigarette Tax Act as amended by section 201 of this title.

SEC. 203. Within twenty days after the effective date of this title, every holder of a wholesaler's retailer's, or vending machine operator's license under said Act shall file with the Commissioners a sworn statement in duplicate on a form to be prescribed by the Commissioners showing the number of each kind of stamps held or possessed by such licensee or anyone for him which were not affixed to packages of cigarettes at the beginning of the day on which this title becomes effective, and shall, at the time of the filing of said statement, surrender such stamps to the Commissioners. The Commissioners shall credit the amount of tax represented by the stamps surrendered against new stamps purchased by such licensees. In lieu of the credit allowed for surrendering stamps as provided in this section, the licensee shall be entitled to a refund of the amount of tax represented by the stamps surrendered as an overpayment of tax in the same manner and to the same extent as provided in section 4 of the Act of July 10, 1952 (66 Stat. 543, 546, ch. 649): *Provided*, That the requirement that the amount of refund shall not exceed the portion of tax paid during the two years immediately preceding the filing of the claim for refund shall not be applicable.

SEC. 204. Every holder of a wholesaler's, retailer's, or vending machine operator's license under said District of Columbia Cigarette Tax Act shall keep and preserve for a period of twelve months after the effective date of this title, the inventories and other records made which form the basis for the information furnished on the sworn statements required to be filed under this title.

SEC. 205. Any violation of the provisions of this title shall constitute a violation under the District of Columbia Cigarette Tax Act and regulations promulgated pursuant thereto.

SEC. 206. The provisions of this title shall take effect on the first day of the first month which begins on or after the thirtieth day after the enactment of this Act.

TITLE III—AMENDMENTS TO THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

SEC. 301. (a) So much of section 23(a) of the District of Columbia Alcoholic Beverage Control Act, as amended (48 Stat. 319; sec. 25-124, D.C. Code, 1951 ed., supp. VIII), as reads:

"(4) a tax of $1.25 on every wine-gallon of spirits and a proportionate tax at a like rate on all fractional parts of such gallon; (5) and a tax of $1.25 on every wine-gallon of alcohol and a proportionate tax at a like rate on all fractional parts of such gallon." is amended to read as follows:

"(4) a tax of $1.50 on every wine-gallon of spirits and a proportionate tax at a like rate on all fractional parts of such gallon; (5) and a tax of $1.50 on every wine-gallon of alcohol and a proportionate tax at a like rate on all fractional parts of such gallon."

(b) The increase in tax upon spirits and alcohol as provided by subsection (a) of this section, shall be applicable to all such beverages in the possession on the effective date of this title of the holder of a manufacturer's license, class A, a wholesaler's license, class A, or a retailer's license, under said District of Columbia Alcoholic Beverage Control Act whether or not a stamp or stamps denoting payment of tax at the rate of tax in effect prior to the effective date of this title shall have been affixed to the containers of such beverages.

SEC. 302. Within twenty days after the effective date of this title, every holder of a manufacturer's license, class A, and every holder of a wholesaler's license, class A, and every holder of a retailer's license under said District of Columbia Alcoholic Beverage Control Act shall file with the Commissioners a sworn statement in duplicate on a form to be prescribed by the Commissioners showing the number of each kind and denomination of stamps denoting the payment of beverage taxes on spirits and alcohol held or possessed by such licensee or anyone for him on the date on which this title becomes effective, or on the following day if the effective day be a Sunday, including stamps affixed to the containers of such beverages manufactured in or imported into the District prior to or on the effective day of this title, and shall, at the time of the filing of said statements, pay to the Commissioners the difference between the amount of tax represented by such stamps at the time of purchase and the amount of tax imposed by the District of Columbia Alcoholic Beverage Control Act, as amended by this title, represented by such stamps.

SEC. 303. Within twenty days after the effective date of this title, every holder of a manufacturer's license, class A, and every holder of a wholesaler's license, class A, and every holder of a retailer's license under said District of Columbia Alcoholic Beverage Control Act shall file with the Commissioners a sworn statement in duplicate on a form to be prescribed by the Commissioners showing the amount of spirits and alcohol, except such spirits and alcohol upon the containers of which required stamps have been affixed, held, or possessed by such licensee in the District of Columbia on the date on which this title becomes effective and state the number of each kind and denomination of stamps necessary for the stamping of such spirits and alcohol so held or possessed on and after the effective date of this title. All stamps denoting the payment of taxes on spirits and alcohol shall be sold by the Commissioners at the rate of tax as amended by this title.

SEC. 304. Every holder of a manufacturer's license, wholesaler's license, or retailer's license under said District of Columbia Alcoholic Beverage Control Act shall keep and preserve for a period of twelve months after the effective date of this title, the inventories and other records made which form the basis for the information furnished on the sworn statements required to be filed under this title.

SEC. 305. Any violation of the provisions of this title shall constitute a violation under the District of Columbia Alcoholic Beverage Control Act and regulations promulgated pursuant thereto.

SEC. 306. The provisions of this title shall take effect on the first day of the first month which begins on or after the thirtieth day after the enactment of this Act.

TITLE IV—AMENDMENTS TO THE DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT OF 1947

SEC. 401. Paragraph (1) of subsection 7(a) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, as amended (61 Stat. 353; sec. 47-1586f(a)(1), D.C. Code, 1951 ed., supp. VIII), is amended to read as follows:

"(1) Except as provided in paragraph (2) of this subsection, the total amount of tax due as shown on the taxpayer's return is due and payable in full at the time prescribed in this article for the filing of such return."

SEC. 402. The provisions of this title shall be applicable to the taxable years beginning after December 31, 1961.

TITLE V—REAL ESTATE DEED RECORDATION TAX ACT

SEC. 501. DEFINITIONS.—When used in this title, unless otherwise required by the context—

(a) The word "District" means the District of Columbia.

(b) The word "Commissioners" means the Commissioners of the District of Columbia, or their duly authorized agents or representatives.

(c) The word "deed" means any document, instrument, or writing (other than a will and other than a lease), regardless of where made, executed, or delivered whereby any real property in the District of Columbia, or any interest therein, is conveyed, vested, granted, bargained, sold, transferred, or assigned.

(d) The words "real property" mean every estate or right, legal or equitable, present or future, vested or contingent in lands, tenements, or hereditaments located in whole or in part within the District.

(e) The word "consideration", except as otherwise provided in section 504 of this title, means the price or amount actually paid, or required to be paid, for real property including any mortgages, liens, or encumbrances thereon.

(f) The word "person" means an individual, partnership, society, association, joint stock company, corporation, estate, receiver, trustee, assignee, any individual acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, any combination of individuals, and any other form of unincorporated enterprise owned or conducted by two or more persons.

(g) The word "deficiency" as used in this title means the amount or amounts by which the tax imposed by this title as determined by the Commissioners exceeds the amount shown as the tax upon the return of the person or persons liable for the payment thereof.

(h) The word "taxpayer" means any person required by this title to pay a tax, or file a return.

SEC. 502. EXEMPTIONS.—The following deeds shall be exempt from the tax imposed by this title:

1. Deeds recorded prior to the effective date of the enactment of this title.

2. Deeds to property acquired by the United States of America or the District of Columbia.

3. Deeds to property acquired by an institution, organization, corporation, association, or government (other than the United States of America or the District of Columbia) entitled to exemption from real property taxation under the Act of December 24, 1942 (Public Law 846, Seventy-seventh Congress, chapter 826, second session), which property was acquired solely for a purpose or purposes which would entitle such property to exemption under said Act: *Provided*, That a return, under oath, showing the purpose or purposes for which such property was acquired, shall accompany the deed at the time of its offer for recordation.

4. Deeds to property acquired by an institution, organization, corporation, or association entitled to exemption from real property taxation by special Act of Congress, which property was acquired solely for a purpose or purposes for which such special exemption was granted: *Provided*, That a return, under oath, showing the purpose or purposes for which such property was acquired, shall accompany the deed at the time of its offer for recordation.

5. Deeds which secure a debt or other obligation.

6. Deeds which, without additional consideration, confirm, correct, modify, or supplement a deed previously recorded.

7. Deeds between husband and wife, or parent and child, without actual consideration therefor.

8. Tax deeds.

9. Deeds of release of property which is security for a debt or other obligation.

SEC. 503. IMPOSITION OF TAX.—(a) There is hereby imposed on each deed at the time it is submitted to the Commissioners for recordation a tax at the rate of one-half of 1 per centum of the consideration for such deed: *Provided*, That in any case where application of the rate of tax to the consideration for a deed results in a total tax of less than $1 the tax shall be $1.

(b) Each such deed shall be accompanied by a return under oath in such form as the Commissioners may prescribe, executed by all the parties to the deed, setting forth the consideration for the deed, the amount of tax payable, and such other information as the Commissioners may require.

(c) The parties to a deed which is submitted to the Commissioners for recordation shall be jointly and severally liable for payment of the taxes imposed by this section: *Provided*, That neither the United States nor the District of Columbia shall be subject to such liability.

(d) The Commissioners are authorized—

(1) to prescribe by regulation for reasonable extensions of time for the filing of the return required by subsection (b) of this section; and

(2) to waive as to any party to a deed the requirement for the filing of a return by such party whenever it shall be determined by the Commissioners that a return cannot be filed: *Provided*, That any waiver granted by the Commissioners to a party shall not, unless specifically authorized, be deemed to be a waiver as to any other party. Any waiver made pursuant to this subsection shall not affect the requirements of subsection (c) of this section.

SEC. 504. ABSENCE OF CONSIDERATION.—Where no price or amount is paid or required to be paid for real property or where such price or amount is nominal, the consideration for the deed to such property shall, for purposes of the tax imposed by this title, be construed to be the fair market value of the real property, and the tax shall be based upon such fair market value. In any such case, the return required to be filed with the deed shall contain such information as to the fair market value of the real property as the Commissioners shall require. Whenever, in the opinion of the Commissioners, a return does not contain sufficient information as to the fair market value of such real property, the Commissioners are authorized to make a determination thereof from the best information available.

SEC. 505. INVESTIGATION BY COMMISSIONERS.—The Commissioners, for the purpose of ascertaining the correctness of any return, statement, affidavit, or other document filed pursuant to the provisions of this title or pursuant to any regulations of the Commissioners promulgated hereunder, or for the purpose of ascertaining the correctness of any payment of the tax imposed by this title, or the consideration for any deed upon which a tax is imposed, are authorized to examine any books, papers, records, or memorandums of any person bearing upon such matters and may summon any person to appear and produce books, records, papers, or memorandums pertaining thereto and to give testimony or answer interrogatories under oath respecting the same, and the Commissioners shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person having been personally summoned shall neglect or refuse to obey the summons issued as herein provided then, and in that event, the Commissioners may report that fact to the United States District Court for the District of Columbia, or one of the judges thereof, and said court or any judge thereof hereby is empowered to compel obedience to such summons to the same extent as witnesses may be compelled to obey the subpenas of that court. Any person in custody or control of any books, papers, records, or memorandums bearing upon the matters to which reference is herein made who shall refuse to permit the examination by the Commissioners or any person designated by them of any such books, papers, records, or memorandums, or who shall obstruct or hinder the Commissioners or any person designated by them in the examination of any books, papers, records, or memorandums, shall upon conviction thereof be subject to the penalties provided in this title.

SEC. 506. RECORDATION.—Except as otherwise provided in this title, no deed shall be recorded by the Commissioners until the return required by this title shall have been filed, and the tax imposed by this title shall have been paid.

SEC. 507. PRESUMPTIONS AND BURDEN OF PROOF.—For the purpose of proper administration of this title and to prevent evasion of the tax hereby imposed, it shall be presumed that all deeds are taxable and the burden shall be upon the taxpayer to show that a deed is exempt from tax.

SEC. 508. DEFICIENCIES IN TAX.—(a) If a deficiency in tax is determined by the Commissioners, the person liable for the payment thereof shall be notified by registered or certified mail of said determination, which shall include a statement of taxes due, and given a period of not less than thirty days after such notice is sent in which to file a protest with the Commissioners and show cause or reason why the deficiency should not be paid. If no protest is filed within such thirty-day period, the deficiency as determined by the Commissioners shall be final. If a protest is filed within said period of thirty days, opportunity for hearing thereon shall be granted by the Comissioners, and a final decision thereon shall be made as quickly as practicable and notice of such decision, together with a statement of taxes finally determined to be due, shall be sent by registered or certified mail to the person liable for the payment of the deficiency.

(b) Any deficiency in tax which has become final in accordance with the provisions of subsection (a) of this section shall, if no protest is filed, be due and payable within ten days after the expiration of the thirty-day period provided in subsection (a) of this section or, if a protest is filed, shall be due and payable within ten days after notice of the final decision of the Commissioners upon such protest is sent to the person liable for payment of the deficiency.

SEC. 509. PENALTIES AND INTEREST.—(a) In case of any failure to make and file a correct return as required by this title within the time prescribed by this title or prescribed by the Commissioners in pursuance of this title, 5 per centum of the tax imposed by this title shall be added to such tax for each month or fraction thereof that such failure continues, not to exceed 25 per centum in the aggregate, except that when a return is filed after such time and it is shown that the failure to file was due to reasonable cause and not due to neglect the Commissioners may in their discretion waive, in whole or in part, the addition to the tax provided by this subsection.

(b) The amount added to any tax under subsection (a) of this section shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of neglect.

(c) Interest upon the amount finally determined as a deficiency shall be assessed at the same time as the deficiency, and shall be collected as a part of the tax, at the rate of one-half of 1 per centum per month or portion of a month, from the date prescribed for the payment of the tax to the date the deficiency is assessed.

(d) If the time for payment of any part of a deficiency is extended, there shall be collected, as a part of the tax, interest on the part of the deficiency the time for payment of which is so extended at the rate of one-half of 1 per centum per month or portion of a month for the period of the extension. If a part of the deficiency the time for payment of which is so extended is not paid in full, together with all penalties and interest due thereon, prior to the expiration of the period of the extension, then interest at the rate of one-half of 1 per centum per month or portion of a month shall be added and collected on such unpaid amount from the date of the expiration of the period of the extension until it is paid.

(e) If any part of any deficiency is due to negligence, or intentional disregard of rules and regulations but without intent to defraud, 5 per centum of the total amount of the deficiency (in addition to such deficiency) shall be assessed, collected, and paid in the same manner as if it were a deficiency.

(f) If any part of any deficiency is due to fraud with intent to evade tax, then 50 per centum of the total amount of the deficiency (in addition to such deficiency) shall be so assessed, collected, and paid.

(g) Where a deficiency, or any interest or additional amounts assessed in connection therewith under subsections (c), (e), or (f) is not paid in full within the time prescribed by this section, there shall be collected as part of the tax interest upon the unpaid amount at the rate of one-half of 1 per centum per month or portion of a month from the date when such unpaid amount was due until it is paid.

(h) The Commissioners are authorized at the request of the taxpayer to extend the time for payment by the taxpayer of the amount of the tax imposed by this title, whether determined as a deficiency or otherwise, for a period not to exceed six months from the date prescribed for the payment of such tax.

SEC. 510. COMPROMISE AND SETTLEMENT.—(a) Whenever in the opinion of the Commissioners there shall arise with respect of any tax imposed under this title any doubt as to the liability of the taxpayer or the collectibility of the tax for any reason whatsoever, the Commissioners may compromise such tax.

(b) The Commissioners are authorized to enter into a written agreement with any person relating to the liability of such person for payment of the tax imposed under this title. Any such agreement which is approved by the Commisisoners and the taxpayer involved, or his authorized agent or representative, shall be final and conclusive and—except upon a showing of fraud, malfeasance, or misrepresentation of a material fact—the case shall not be reopened as to the matters agreed upon or the agreement modified; and in any suit or proceeding relating to the tax liability of the taxpayer such agreement shall not be annulled, modified, set aside, or disregarded.

(c) Any person who, in connection with any compromise under this section or offer of such compromise or in connection with any written agreement under this section or offer to enter into any such agreement, conceals from any officer or employee of the District of Columbia any material fact relating to the tax imposed by this title; destroys, mutilates, or falsifies any books, documents, or record; or makes under oath any false statements relating to the tax imposed by this title shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than one year, or both. All prosecutions under this section shall be brought in the municipal court of the District of Columbia, in the name of the District of Columbia, on information by the Corporation Counsel of the District of Columbia or any of his assistants.

SEC. 511. COMPROMISE OF PENALTIES AND ADJUSTMENT OF INTEREST.—The Commissioners shall have the power for cause shown to compromise any penalty which may be imposed under the provisions of this title. The Commissioners may adjust any interest, where, in their opinion, the facts in the case warrant such action.

SEC. 512. LIMITATIONS.—(a) Except as otherwise provided in this section, the amount of any tax imposed by this title shall be assessed within three years after the deed is recorded by the Commissioners and no proceeding in court without assessment for the collection of such tax shall be begun after the expiration of such period.

(b) In the case of a false or fraudulent return, with the intent to evade tax, the tax may be assessed, or a proceeding in court for collection of such tax may be begun without assessment, at any time.

(c) In case of a willful attempt in any manner to defeat or evade the tax imposed by this title, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun without assessment, at any time.

(d) In the case of failure to file a return, the tax may be assessed, or a proceeding in court for collection of such tax may be begun without assessment, at any time.

(e) Where, before the expiration of the time prescibed in this section for the assessment of the tax imposed by this title, the Commissioners and the taxpayer have consented in writing to its assessment after such time, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

(f) The running of the period of limitations provided in this section on the making of assessments, or the collection of the tax imposed by this title in any manner authorized by law, shall be suspended for any period during which the Commissioners are prohibited from making the assessment or from collecting said tax, and for ninety days thereafter: *Provided,* That in any case where a proceeding is commenced by a taxpayer in any court in connection with the tax imposed by this title, the running of the period of limitations shall be suspended for the period of the pendency of such proceeding and for ninety days after the decision of the court shall have become final or, if the proceeding shall have been dismissed or otherwise disposed of, for a period of ninety days after such dismissal or other disposition.

SEC. 513. ADMINISTRATION OF OATHS.—The Commissioners are authorized to administer oaths and affidavits in relation to any matter or proceeding conducted by them in the exercise of their powers and duties under this title.

SEC. 514. APPEAL.—(a) Any person aggrieved by any assessment of a deficiency in tax finally determined by the Commissioners under the provisions of section 508 of this title may appeal to the District of Columbia Tax Court in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, 11, and 12 of title IX of the Act entitled "An Act to amend the District of Columbia Revenue Act of 1937, and for other purposes", approved May 16, 1938, as amended and as the same may hereinafter be amended.

(b) The remedy provided in subsection (a) of this section shall not be deemed to take away from the taxpayer any remedy which he might have under any other provision of law but no suit by the taxpayer for the recovery of any part of the tax imposed shall be instituted or maintained in any court if the taxpayer has elected to file an appeal with respect to such tax, or any part thereof, in accordance with the provisions of subsection (a) of this section.

SEC. 515. REFUNDS AND COLLECTION.—The provisions of section 14 of title IX of the District of Columbia Revenue Act of 1937, as added by the Act of May 16, 1938, and as amended by the Act of July 26, 1939, and as added by section 4 of the Act of July 10, 1952, and the provisions of section 1601 and section 1602 of title XVI of the District of Columbia Public Works Act of 1954 shall be applicable to the tax imposed by this title.

SEC. 516. STAMPS.—The Commissioners are authorized to prescribe by regulation such methods or devices, or both, including the use of a stamp or stamps, for the evidencing of payment, and the collection of the taxes imposed by this title, as they may deem necessary and proper for the administration of this title.

SEC. 517. PROMULGATION OF RULES AND REGULATIONS.—The Commissioners are hereby authorized to prescribe such rules and regulations as they may deem necessary to carry out the purposes of this title.

SEC. 518. ABATEMENT.—The Commissioners are authorized to abate the unpaid portion of any tax due under the provisions of this title, or any liability in respect thereof, if the Commissioners determine under rule or regulation prescribed by them that the administration and collection costs involved would not warrant collection of the amount due.

SEC. 519. ELIMINATION OF FRACTIONAL STAMPS OR DEVICES.—For the purpose of avoiding, in the case of any stamps or devices employed pursuant to authority of this title, the issuance of stamps or the employment of devices representing fractional parts of $1, the Commissioners are authorized, in their discretion, to limit the denominations of such stamps or devices to amounts representing $1 or multiples of $1, and to prescribe further that where part of the tax due is a fraction of $1, the tax paid shall be paid to the nearest dollar.

SEC. 520. GENERAL CRIMINAL PENALTY.—Whoever violates any provision of this title for which no specific penalty is provided, or any of the rules and regulations promulgated under the authority of this title, shall be subject to a fine of not more than $1,000, or to imprisonment of not more than one year, or to both such fine and imprisonment. Prosecutions for violations of this title shall be on information filed in the municipal court for the District of Columbia in the name of the District of Columbia by the Corporation Counsel or any of his assistants, except for such violations as are felonies, and prosecutions for such violations as are felonies shall be by the United States attorney in and for the District of Columbia, or any of his assistants.

SEC. 521. CRIMINAL PENALTY AS TO STAMPS.—(1) Any person who, with intent to defraud, alters, forges, makes, or counterfeits any stamp, or other device prescribed under authority of this title for the collection or payment of any tax imposed by this title, or sells, lends, or has in his possession any such altered, forged, or counterfeited stamp, or other device, or makes, uses, sells, or has in his possession any material in imitation of the material used in the manufacture of such stamp, or other device; or

(2) Fraudulently cuts, tears, or removes from any deed, parchment, paper, instrument, writing, or article, upon which any tax is imposed by this title, any adhesive stamp or the impression of any stamp, die, plate, or other article provided, made, or used in pursuance of this title; or

(3) Fraudulently uses, joins, fixes, or places to, with, or upon any deed, parchment, paper, instrument, writing, or article upon which a tax is imposed by this title,

(a) any adhesive stamp, or the impression of any stamp, die, plate, or other article, which has been cut, torn, or removed from any other deed, parchment, paper, instrument, writing, or article upon which any tax is imposed by this title; or

(b) any adhesive stamp or the impression of any stamp, die, plate, or other article of insufficient value; or

(c) any forged or counterfeited stamp, or the impression of any forged or counterfeited stamp, die, plate, or other article; or

(4) (a) Willfully removes, or alters the cancellation or defacing marks of, or otherwise prepares, any adhesive stamp, with intent to use, or cause the same to be used, after it has already been used; or

(b) knowingly or willfully buys, sells, offers for sale, or gives away, any such washed or restored stamp to any person for use, or knowingly uses the same; or

(c) knowingly and without lawful excuse (the burden of proof of such excuse being on the accused) has in his possession any washed, restored, or altered stamp, which has been removed from any deed, parchment, paper, instrument, writing, package, or article;

shall be guilty of a felony and, upon conviction thereof, shall be fined not more than $5,000, or imprisoned not more than three years, or both.

SEC. 522. DISPOSITION OF FUNDS.—All moneys collected under this title shall be deposited in the Treasury of the United States to the credit of the general fund of the District of Columbia.

SEC. 523. SEPARABILITY CLAUSE.—If any provision of this title, or the application thereof to any person or circumstances, is held invalid, the remainder of this title, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 524. APPROPRIATIONS.—There are hereby authorized to be appropriated such amounts as may be necessary for the carrying out of the provisions of this title, including the use of stamps or other devices for evidencing payment of the tax imposed by this title.

SEC. 525. EFFECTIVE DATE.—The provisions of this title shall take effect on the first day of the first month which begins on or after the sixtieth day after the enactment of this Act.

TITLE VI—AMENDMENTS TO WATER RENT RATES AND SANITARY SEWER SERVICE CHARGES

SEC. 601. Section 101 of title I of the District of Columbia Public Works Act of 1954 (68 Stat. 101; sec. 43-1520c, D.C. Code, 1951 ed.) is amended by inserting the subsection designation "(a)" immediately after "SEC. 101", and by adding to such section the following subsection:

"(b) Notwithstanding the provisions of subsection (a) of this section, the Commissioners are authorized, in their discretion, to increase the rates charged by the District for water and water services furnished by the District water supply system: *Provided*, That no such increase shall exceed 25 percentum of the rate or rates in effect on January 1, 1961."

SEC. 602. Section 207 of title II of such Act (sec. 43-1606, D.C. Code, 1951 ed.) is amended by striking "60 per centum" wherever it occurs in such section and in each such instance inserting in lieu thereof "75 per centum".

SEC. 603. Section 208 of title II of such Act (sec. 43-1607, D.C. Code, 1951 ed.) is amended by adding thereto the following new subsection:

"(c) If at any time, or from time to time, the Commissioners shall change the established sanitary sewer service charge, the sanitary sewer service charge for any period beginning prior to any such change and ending thereafter shall be prorated on a monthly basis, in accordance with the established charges prevailing in the respective periods."

SEC. 604. The provisions of this title shall become effective on the first day of the third month following the date of enactment of this Act.

TITLE VII—INCREASE IN THE ANNUAL FEDERAL PAYMENT

SEC. 701. Subsection (a) of section 2 of article VI of the District of Columbia Revenue Act 1947 (sec. 47-2501b, D.C. Code, 1951 ed.) is amended (1) by striking "and the sum of $21,000,000 for the fiscal year 1959 and for each fiscal year thereafter" and inserting in lieu thereof "the sum of $21,000,000 for each of the fiscal years 1959, 1960, and 1961, and the sum of $25,000,000 for each fiscal year thereafter", and (2) by striking from the proviso "and $25,000,000 for the fiscal year 1959" and inserting in lieu thereof "$25,000,000 for each of the fiscal years 1959, 1960, and 1961, and $29,000,000 for the fiscal year 1962".

TITLE VIII—AMENDMENTS TO DISTRICT OF COLUMBIA MOTOR VEHICLE PARKING FACILITY ACT OF 1942

SEC. 801. The first sentence of section 3 of the District of Columbia Motor Vehicle Parking Facility Act of 1942 (56 Stat. 91; sec. 40-804, D.C. Code, 1951 ed.) is amended to read as follows: "The Commissioners, within the limits of appropriations by Congress therefor, are authorized to exercise all powers necessary and convenient to carry out the purposes of this Act, the said purposes being hereby declared to be (a) the acquisition, creation, and operation of public off-street parking facilities in the District, and (b) the maintenance of the streets, avenues, roads, highways, and freeways of the District, including the clearing of snow and ice therefrom, by the acquisition (by purchase, rental, or otherwise) of machinery and equipment and the operation and maintenance thereof and the purchase of supplies, as necessary incidents to insuring in the public interest the free circulation of traffic in and through said District."

SEC. 802. Section 7 of the District of Columbia Motor Vehicle Parking Facility Act of 1942 (sec. 40-808, D.C. Code, 1951 ed.) is amended to read as follows:

"SEC. 7. There is hereby established within the highway fund a parking fee account, referred to in this Act as the 'parking fee account', into which there shall be deposited (a) all fees and other moneys collected under this Act, including all fees collected pursuant to section 11 of the Act entitled 'An Act making appropriations to the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1939, and for other purposes', approved April 4, 1938 (sec. 40-616, D.C. Code, 1951 ed.), (b) all fees collected under the Act entitled 'An Act to authorize the Commissioners of the District of Columbia to provide for the parking of automobiles in the Municipal Center', approved June 6, 1940 (54 Stat. 241, and (c) all moneys derived from the sale of any property, real or personal, which was acquired or may hereafter be acquired with funds in the special account created by section 7 of this Act as approved February 16, 1942, and as amended by the Act of December 16, 1944 (58 Stat. 809), or with funds in the parking fee account. Moneys deposited in the parking fee account shall be appropriated and used solely and exclusively for the purposes set forth in this Act. As used in this Act, the term 'highway fund' means the special account established in the first section of the Act entitled 'An Act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes,' approved April 23, 1924, as amended (sec. 47-1901, D.C. Code, 1951 ed.)."

SEC. 803. The first sentence of section 8 of the District of Columbia Motor Vehicle Parking Facility Act of 1942 (sec. 40-809, D.C. Code, 1951 ed.), is amended to read as follows: "The Commissioners shall include in their annual budget such amounts as may be required from the parking fee account for carrying out the purposes of this Act."

SEC. 804. The unexpended and unobligated balance which on the effective date of this title is in the special account in the Treasury of the United States to the credit of the District of Columbia established by section 7 of the District of Columbia Motor Vehicle Parking Facility Act of 1942, as approved February 16, 1942, and as amended by the Act of December 16, 1944 (58 Stat. 809), is hereby transferred to the parking fee account established within the highway fund by the amendment made to such section 7 by this title and such balance shall be available for carrying out the purposes of such District of Columbia Motor Vehicle Parking Facility Act of 1942, as amended.

SEC. 805. This title shall take effect on the first day of the first month following enactment of this Act.

TITLE IX—GENERAL PROVISIONS

SEC. 901. DEFINITIONS.—

COMMISSIONERS.—Wherever the word "Commissioners" appears in this Act it shall be deemed to mean the Board of Commissioners of the District of Columbia, or their designated agent.

SEC. 902. Any word or term used in any title of this Act, unless the context of this Act requires otherwise, shall have the same meaning as that applicable to such word or term in the Act to which such title applies.

SEC. 903. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 904. REGULATIONS.—The Commissioners of the District of Columbia are authorized to make rules and regulations to carry out the provisions of this Act.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the debate on Calendar No. 475, H.R. 258, the District of Columbia sales tax bill, and on all amendments thereto, be limited to 1½ hours, such time to be equally divided between the majority and the minority leaders. The agreement is to be in the usual form with respect to germaneness. I am making the unanimous-consent request after receiving the approval of the minority leader, the chairman of the District Committee, and others who are interested in offering amendments.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. BIBLE. Mr. President, on the pending business which has been laid before the Senate I allot myself such time as is necessary to make an opening statement.

The bill, the first of its kind to increase revenue sources for the District of Columbia government since 1956, as amended by your Senate District of Columbia Committee, is designed to face the hard facts of increasing expenditures in the central city of the Washington metropolitan area.

The purpose of this bill is fourfold. First, it will raise $12,575,000 of additional revenue for the 1962 fiscal year and $14,850,000 in succeeding years by increasing the general sales tax on commodities from 2 to 3 percent, transient lodging from 3 to 5 percent, cigarettes from 2 to 4 cents per package, alcohol and spirits from $1.25 to $1.50 per gallon, eliminate deferred payment of corporate and unincorporated franchise tax and impose a new tax on real estate deed recordations of one-half of 1 percent.

Second, this bill will provide standby authority to the District of Columbia to increase water rates and sanitary sewer service charges to meet increasing maintenance and construction costs, the first increase in this area since 1954.

This is a user's tax and is paid by the user, and because of the improvements, renovation and rehabilitation that must be made in this particular field, this standby authority was sought by those charged with the responsibility of running the District of Columbia.

Third, this bill authorizes an increase from $32 to $36 million in the authorized amount of the Federal payment to the general fund of the District of Columbia.

Fourth, this bill continues the Motor Vehicle Parking Agency with full authority to plan, acquire and construct public parking facilities after congressional approval; provides authority for the use of parking meter funds for the maintenance of highways and the purchase or rental of snow removal equipment; and continues the civilian parking meter attendant program.

The need for snow removal equipment I think was pointed up as a result of the experiences during December of last year and January and February of this year, and the funds received from the parking meters can be used for this particular purpose.

The committee, in concluding to recommend a major revision of the District's revenue producing program, both in higher taxes and in a greater Federal payment, has sought to face realistically this Capital City's acute fiscal problem. The committee has sought to recognize, as a guiding principle, that the tax burden on District residents and businesses should be kept in balance with neighboring Maryland and Virginia suburban communities.

Congress increased District taxes the last time 5 years ago and raised the Federal payment 3 years ago. Social and economic trends have increased costs of local government here year after year, not unlike those of the Federal Government itself. If this city of Washington is to fulfill its role as the capital of a great nation, additional revenues are essential. Projections of population characteristics and social and economic changes point to continuing cost increases in the years ahead if essential services are to be maintained. It was the sense of the committee in recommending this bill that if the Federal Government is called upon to appropriate the $36 million annual Federal payment to the District, then the District of Columbia's citizens and businesses alike must bear their fair share by providing $21,350,000 of higher taxes including $4½ million as an increase in real estate taxes.

I might say that this increase in real estate taxes from $2.30 to $2.50 has already been approved and imposed by the District Commissioners this year, pursuant to the strong recommendation that was made by our full District of Columbia Committee.

These tax increases are designed to provide additional revenue urgently needed for financing District government activities in fiscal year 1962 supported from the District of Columbia general fund, which represents 81 percent of the District's total budget. Financing from the general fund include the cost of police protection, fire protection, education, health, welfare costs, and other general government functions.

To summarize the District's financial picture for the 1962 fiscal year, the estimated general fund financing requirement in the District government's 1962 budget request is $247 million. General revenues are estimated to bring in $173,800,000 and the Federal payment, as recommended, $36 million. With $16 million in loan authority, a total of $225,800,000 would be made available. This would leave a budget deficit of $21,300,000 for the year.

The committee, in giving close examination to the District's revenue requirements for this year and for future years, concluded to raise taxes to meet portion of this deficit. Tax measures proposed in this bill and the approximate annual revenue yield include:

Increasing general sales tax on commodities from 2 to 3 percent	$9,000,000
Increasing sales tax on lodging furnished to transients from 3 to 5 percent	650,000
Increasing cigarette tax from 2 to 4 cents per package	$2,600,000
Increasing alcohol and spirits tax from $1.25 to $1.50 per gallon	1,100,000
Eliminating deferred payment of District of Columbia incorporated and unincorporated income and franchise tax (not affecting personal income tax payments)	2,000,000
Imposing a real estate deed recordation tax at rate of one-half of 1 percent	1,500,000
Total	16,850,000

The accumulated total of these tax measures, assuming enactment of this bill during the month of August, would yield the District government $12,570,000 in new revenue this year. The annual yield for each fiscal year thereafter would amount to $14,850,000.

The committee realized fully that these yields will not provide the District sufficient revenue to meet the entire $21.3 million deficit for this fiscal year as computed by the District Commissioners. To offset this factor to some degree, your committee recommended that the real estate tax rate be increased from $2.30 to $2.50 per $100 valuation by the District Commissioners. The Board of Commissioners has acted to increase this tax which will yield $4.5 million annually.

The expected yield of all tax measures will make the total fall short of meeting the $21.3 million deficit for fiscal year 1962. However, the revenues will provide great improvement in the District's serious financial situation and make it possible for the District to more adequately meet its budgetary requirements without seriously impairing essential police, fire, education, health, and other necessary government functions.

Likewise, we must remember in considering the District's expenditure and revenue projections that the 87th Congress has approved $2½ million in money authorizations for fiscal year 1962 for the District of Columbia in excess of the budget request now before the Congress.

These include bringing the Metropolitan Police force to an authorized strength of 3,000 men, something on which the legislative committee felt very keenly and deeply, in view of the increasing crime situation in the District of Columbia. This is something we cannot brush under the rug. It is here, and it is something we must face. This will cost something in the neighborhood of an additional $1,100,000 each year.

There is also provided authority for the District to participate with the 50 States in a program to provide aid to dependent children of unemployed but employable parents. This alone will cost approximately $1,400,000 this year in addition to the items I have previously recited.

This week the full committee ordered to be reported to the Senate a bill which would shorten the workweek of firemen from 60 to 56 hours. The cost of that program in the present fiscal year of operation would be in the neighborhood of $350,000.

For a full year it would be closer to a half million dollars. This additional legislative item will come before the Senate for consideration in the very near future.

It was the feeling of the committee, by a vote of 6 to 1, I believe, that the revenue measures set forth in the bill are reasonable, consonant to the changing conditions of a metropolitan area, where the great middle income producers live outside the city itself, and not adverse to a proper maintenance of a tax balance with adjoining jurisdictions.

I am very happy to yield at this point to the distinguished Senator from Wisconsin, who has some questions.

Mr. PROXMIRE. Mr. President, will the Senator from Nevada explain why the committee did not increase, or consider increasing, the District of Columbia income tax?

Mr. BIBLE. This item, as I recall it, was not one of the items recommended for increase by the Commissioners. It was felt that the income tax in the District of Columbia at the present time, as is shown by the table on page 21 of the report, is in approximate balance with the income taxes which are levied in the States of Maryland and Virginia. It was for that reason, I believe, that the committee did not increase the income tax above the present rates.

Mr. PROXMIRE. Is it not true that on page 22 of the hearings a comparison is made of the various taxes paid by the different income brackets—the $5,000, the $7,500, the $10,000, and the $15,000 brackets?

Is it not true that in Montgomery County, in Prince Georges County, and in each of the surrounding counties in Virginia, the income tax is greater, particularly in the higher income brackets, than it is in the District of Columbia? For example, in Virginia, in the $15,000 income bracket, the tax in Arlington, Alexandria, Falls Church, and Fairfax is $475; in the District of Columbia, it is $310. That is a very substantial difference.

Mr. BIBLE. The Senator is correct as to the amounts; I do not know that it is considered to be a substantial difference.

Looking at the $5,000 income bracket, the income tax in the District of Columbia is $38; in the Maryland counties of Montgomery and Prince Georges it is $39; in the Virginia area it is $47; which is, I think, fairly comparable.

In the $7,500 income bracket, the tax in the District of Columbia is $94; in the Maryland counties it is $114; and in Virginia, it is $112. So I think the taxes in those particular brackets are fairly comparable.

Mr. PROXMIRE. That is precisely my point. The District of Columbia income tax should be made more progressive as in surrounding States and accordingly revenues would be increased. The sales tax could stay where it is. On the other hand, the sales tax in the District of Columbia will be higher after the enactment of the bill than it is in any of the surrounding counties. In Virginia, there is no sales tax. At least, that is, according to the information in the hearings on page 22. So what the committee decided to do was to leave untouched the one tax which is a progressive tax, based on ability to pay, and increase the real estate tax, which is the most regressive tax of all, and increase the sales tax, which is also a very regressive tax. It increased the sales tax substantially, although the sales tax now is already larger than it is in the surrounding counties.

In comparison with the situation in my own State, the income tax in Wisconsin, which is one of the more progressive States, on an income of $15,000, for a family of four, taking the standard deduction, is $800. In the District of Columbia, it is $310.

In my opinion, the committee has concentrated the burden of the increased tax on the people who are least able to pay, and has not called upon those whose incomes are high to pay in proportion.

Is it not true that the District of Columbia has one of the highest per capita incomes of any of the States in the country?

Mr. BIBLE. I believe that is a correct statement.

Mr. PROXMIRE. Is it not true also that the District of Columbia has a large number of people whose incomes are very low?

Mr. BIBLE. I cannot answer the second question. I am happy to say that the District of Columbia has one of the highest per capita incomes in the United States, along with the great States of Nevada and Delaware. They are the three highest per capita income entities in the United States.

Mr. President, I shall make one comment about the sales tax. It is true that there is no sales tax in the Commonwealth of Virginia; but it is also true that there is a 3 percent sales tax in the State of Maryland. The staff of the committee tells me that the District of Columbia provides more exemptions in its Sales Tax Act than do most of the 35 States which impose a sales tax. Twenty-four of the 35 States impose a tax on groceries at the basic rate, which in every case is higher than 1 percent. Maryland imposes a straight 3 percent sales tax on all commodities. However, it is true that the Commonwealth of Virginia does not have a sales tax.

Mr. PROXMIRE. Is it not true that the table placed in the hearings at page 22 by Mr. Walter Tobriner, president of the Board of Commissioners, shows that the impact of the sales tax, as it is proposed to be changed, will be far greater in the District than it will be outside the District?

The sales tax on those with incomes of $5,000 will be $62 in the District, as compared with a sales tax of $42 in Maryland.

In the $7,500 income group, the sales tax in the District of Columbia will be $88 as compared with $63 in Maryland.

On an income of $10,000, the sales tax in the District of Columbia will be $111, as compared with $81 in Maryland.

In the $15,000 income group, the sales tax in the District of Columbia will be $168 as compared with $126 in Maryland.

It seems to me that those are all substantial and significant differences. They are not enormous, but they are significant. In every category, they are substantially different.

Virginia has no sales tax at all. However, so far as Maryland is concerned, to increase the District of Columbia sales tax would put Maryland in the position where everyone there who was working for a regressive tax would look at the District tax and say that Congress—the Senate and the House—"have decided that it will hike the sales tax in the District; why should not the same thing be done in Maryland?" Would not that be the effect?

Mr. BIBLE. I do not know that it would have that effect. What we are trying to do is to keep the taxes in this particular area in balance. Every time a tax is raised in the District, it is raised in Maryland or Virginia. The three areas are trying to keep their taxes fairly closely balanced. Whether they will or will not attempt to follow the lead of the District in the sales tax or the income tax or the real property tax, or any other kind of tax that the mind of man can conceive, I do not know. It seems to me that every time one area imposes a new kind of tax, other areas are likely to follow suit and adopt the same type of tax.

Taxation is not a popular area. It is not a pleasure to rise in the Senate and say that it is necessary to tax this, that, or the other.

Mr. PROXMIRE. No; that is an important point. The Senator from Nevada serves as chairman of the Committee on the District of Columbia. His is a difficult task. He has rendered outstanding service to the community. It is never a happy moment when a Senator must fight for higher taxes. But this is something which the Senator from Nevada is doing, and it is a great public service. I am conscious of that. I hope nothing I say will be interpreted as reflecting on the Senator from Nevada, for whom I have the highest regard. He is a man having great humanitarian and liberal instincts. I have raised this question simply because I wanted to discuss the subject on a completely impersonal basis.

Mr. BIBLE. Oh, certainly. I fully recognize the attitude and good intentions of my close friend, the distinguished junior Senator from Wisconsin. What we are trying to do is to have a full explanation of the problem in an attempt to find some revenue to meet the difficulties which the District of Columbia faces.

Mr. President, I should like to develop a few other points. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Nevada has 21 minutes remaining.

TITLE I—GENERAL SALES TAX INCREASE ON COMMODITIES

Mr. BIBLE. Mr. President, title I of this bill proposes to amend the District's Sales Tax Act so as to increase from 2 to 3 percent the rate of sales tax now in force on general commodities. The other body has already approved this increase, expected to raise $9 million per year in additional revenue, and $6.3 million over the balance of this fiscal year.

The District's sales tax, in effect since 1949, is below that of most States with its present basic 2 percent rate. The tax is now levied in three separate categories, at different rates of taxation.

Foods and groceries to be taken from a store are taxed at 1 percent; hotel room rentals and other accommodations furnished to tourists are taxed at 3 percent; and most other sales of commodities are taxed at 2 percent. The latter category includes by far the greatest number of items taxed and is the source of almost 90 percent of the sales tax revenues collected in the District.

The Committee believes that the District's pressing financial needs require this increase of a tax considered economical of administration, easy to collect and one that yields substantial revenue. Its application to District residents, suburbanites and visitors has a definite appeal as a desirable and major revenue source.

Its impact on low-income groups is mitigated by the fact that the tax on groceries remains at 1 percent, a level at which it has been maintained since it was imposed in 1954 to help provide funds for an urgently needed public works program.

Actually, the District has more exemptions in its sales tax act than do most of the 35 States which impose it. Twenty-four of the 35 States impose a tax on groceries at their basic rate which in every case is higher than the 1-percent rate in the District on groceries. In 1960 in the District the 1-percent tax on groceries raised $2,300,000 in revenue.

The State of Mayland has a straight 3-percent sales-tax rate on all taxed commodities. Last year a sales tax was proposed for the Commonwealth of Virginia but failed of enactment.

Sales tax revenue for the District amounted to $22.5 million for fiscal year 1960, with the 2-percent rate on general retail sales producing $19.2 million and the 1-percent rate on groceries producing $2.3 million. Such represents a major revenue source in supporting the District government.

With the increase in the general sales tax, your committee concluded to increase from 3 to 5 percent the rate of tax applicable to sales or charges for rooms, lodgings, or accommodations furnished to transients.

In view of the pressing need for additional revenue, the committee believes that an increase in the rate applicable to visitor and tourist accommodations is logical and that such an increase will not adversely affect hotel and motel business within the District of Columbia.

Such an increase was proposed on the Senate floor last year, but such an increase had not been the subject of examination and hearings at that time. This year such has been studied and its imposition is recommended.

In 1960, the 3-percent tax on transient accommodations raised $1 million. The increase is expected to bring in $650,000 per year additionally in revenue.

TITLE II—CIGARETTE SALES TAX INCREASE

Title II of the bill proposes to increase the tax on cigarettes from 2 to 4 cents per package in the District.

The District's present rate is lower than 46 of the 50 States. Most States impose a cigarette tax at 5 or 6 cents per pack. State cigarette taxes vary from a low of 2 cents per pack to a high of 8 cents, the latter in Louisiana, Montana, and Texas.

Earlier this year, Maryland increased its cigarette tax from 3 to 6 cents per pack. The Virginia levy is 3 cents. Only three States, Colorado, North Carolina, and Oregon impose no cigarette tax.

Additional anticipated revenue from a 4-cent rate is estimated at $2.6 million per year. Your committee was again convinced that this increase is justified by revenue requirements in the District.

TITLE III—ALCOHOL, SPIRITS TAX INCREASE

Title III of the bill proposes to increase from $1.25 to $1.50 the tax on every gallon of spirits and alcohol.

The tax on alcohol and spirits has long been a significant revenue source for both Federal and State Governments. The present District rate of $1.25 is lower than 22 States, including Maryland, which taxes its spirits at $1.50 per gallon and alcohol at $2.50 per gallon. Virginia is 1 of 16 States operating a monopoly State-operated system of liquor control. On an equivalent comparative basis of selling prices, the rate of tax in Virginia would be aproximately $1.60 per gallon, considering selling prices there.

An increase in the District's spirits and alcohol tax rate, expected to raise $1.1 million annually, will eliminate part of the favorable price differential that now exists between the District and surrounding jurisdictions, although any sales decline should be offset since District liquor stores tend to underprice their counterparts in surrounding areas.

The tax increase, as recommended, is not expected to affect adversely the sales volume within the District and would provide another revenue source easily obtainable.

TITLE IV—CORPORATE AND UNINCORPORATED INCOME AND FRANCHISE TAX PAYMENT ACCELERATION

Title IV of the bill proposes to accelerate the date of payment of taxes of corporate and unincorporated business income taxes. Actually, this provision will make this tax due and payable in full at the time prescribed for the filing of the taxpayer's return, rather than deferring such payment.

The effect of this change would be to eliminate installment payments presently allowed. The time of payment for individual income taxes is not affected by this provision since such taxes are payable in the District now in full at the time prescribed for filing individual income tax returns.

Accelerating payment of corporate and unincorporated business income tax payments would yield an estimated $2 million on a one-time basis, without increasing rates. This procedure is followed with respect to business income tax payments in Maryland and 14 other States. Virginia corporate income tax payments are likewise required to be made in full at the time of billing and not in installments.

TITLE V—REAL ESTATE DEED RECORDATION TAX

Title V of the bill proposes an entirely new tax for the District of Columbia but one which is common in most other jurisdictions.

The tax, which is imposed upon deeds submitted to the Commissioners for recordation, will produce an estimated revenue of $1.5 million per year, and is a method of raising revenue which in various forms is in common usage in the States.

The tax will be based upon the fair market value of the property concerned in the transaction and all parties to a deed are jointly and severally liable for its payment. The tax will be imposed upon each deed at the time it is submitted for recordation at the rate of one-half of 1 percent of the consideration for the deed.

The committee believes such a tax is a logical revenue source to help meet the District's pressing financial requirements.

TITLE VI—WATER AND SEWER SERVICE CHARGE INCREASES

Mr. President, title VI of this bill proposes to provide the District government with standby authority to raise water rates and sanitary sewer charges for District residents.

This provision would authorize the Commissioners to increase water rates by as much as 25 percent to meet continuing construction and operating costs, and assist the pollution abatement program.

Similarly, the Commissioner, as needed, could increase the sanitary sewer service charge—which is presently a maximum of 60 percent of the water rate—to a maximum of 75 percent of the water rate.

Both, if levied at the maximum allowed, would raise $4,300,000. However, the District does not contemplate increasing the rates until 1963. This revenue is not reflected in general fund revenues or expenditures since these represent earmarked items.

This rate increase—the first for the District in water and sewer service since 1954—will bring the District's charges closer to those already imposed in nearby Maryland and Virginia communities. Maximum effect on the average customer would be a total annual increase of $5.93 for water service and $8.01 for sewer service.

TITLE VII—FEDERAL PAYMENT INCREASE

Mr. BIBLE. Title VII of this bill proposes to increase from $32 million to $36 million the authorized amount of the annual Federal payment to the general fund of the District of Columbia.

The committee feels strongly that at the same time that legislation is recommended increasing the amount of taxes required to be paid by District residents by $16,850,000, that the Congress should not only approve an increase of $4 million in the authorized Federal payment but that the Congress should also appropriate the full $36 million.

Washington's role as the Nation's Capital imposes many special and costly requirements, not the least of these being that almost 50 percent of the land area of the city is nontaxable because of Federal ownership or having a tax exempt status by virtue of its diplomatic status or the headquarters of educational and patriotic organizations wanting this Capital City for their national offices.

As the central city of one of America's fastest growing metropolitan regions, the many problems generated by the location of this city can no longer be considered solely those of the District of Columbia alone.

Personally, I would favor a realistic formula for determining each year the Federal payment, thereby compensating for the fact that the Federal Government as the principal employer and landowner, is tax exempt, thus depriving the city of major sources of tax revenue common to other major cities. I hope some headway can be made in this direction of a yardstick, such as that used from 1879 to 1920 when 50 percent of the general fund appropriation was designated as the Federal contribution. A proper formula would provide a business-like approach.

Extraordinary expenses the District, by its Capital City role, must bear include public structures, such as bridges, requiring a one-third greater cost to fit into the master Federal plan for the city's beautification; wide, tree-lined streets to fit the master Federal plan which must be built and maintained by the taxpayers of the city while those persons living in the suburbs, now having a greater population than the city itself, ride to and from their suburban homes on streets and freeways within the city which the local taxes build and maintain. Likewise, the District pays $3½ million yearly to the Federal Government to maintain the parks which are not in size and beauty comparable to most other major cities.

Today, the District has an $18 million liability for hospitals built in the District, 40 percent of whose patients live in the nearby suburbs and provide little or no tax revenue for such facilities.

Police and fire protection must be carried out. Economic changes in the city's population have generated a need for greater expenditures in the areas of schools, health services, and public welfare.

Since the Congress controls District operations and costs, the committee believes the Congress along with local taxpayers must share the task of meeting the District's financial problems, created principally by its dual capacity as a great city and as the Nation's Capital.

To point up an awareness of this Federal payment to the city of Washington, I ask unanimous consent to be inserted at this point in my remarks editorials from 24 daily newspapers from 15 different States urging the Congress to provide additional Federal funds for the support of the Capital City. These editorials were provided to me by the Federal City Council, a local organization made up of civic-minded citizens from all over the country interested in building up this city.

TITLE VIII—MOTOR VEHICLE PARKING FACILITY ACT

Title VIII of the bill proposes to transfer and establish the motor vehicle parking fund as a parking fee account within the District highway fund. This special fund would be used to carry out the purposes of the District of Columbia Motor Vehicle Parking Facility Act of 1942, and to help maintain the streets and highways of the District.

This bill would place all parking meter revenue in the future in a parking fee account together with revenue already accumulated in the motor vehicle parking fund, now totaling approximately $4,300,000.

Features of this bill permit the District flexibility in using the parking fee funds, within limits of appropriation by the Congress, for maintenance of roads and highways, including the removal of ice and snow from the city streets with either rented or purchased equipment. Equally important, the bill proposes to preserve the purposes of the Motor Vehicle Parking Agency by allowing it, within congressional appropriation, to continue its function of acquiring and constructing public parking facilities.

Clearly, the authority afforded the District under the Motor Vehicle Parking Facility Act is particularly important at this time when the city is engaged in efforts to revitalize and rebuild the Southwest, the downtown, and other areas of Washington. Likewise, the District is planning and building modern freeways, thereby changing automobile traffic patterns. The District is also participating in the planning and establishment of a mass transportation system for the Metropolitan area.

There is a foreseeable long-range need to have an agency of the District government offering leadership and planning assistance for the orderly solution of parking problems. Such can be used in concert with private enterprise for the best interests of the general public.

Mr. President, I hope that as we move forward in this field, the day will come when we shall have a realistic formula for the Federal Government payment to the District of Columbia, to compensate the District for the loss of taxes due to the removal of taxable property from the tax rolls of the District of Columbia.

Mr. MILLER. Mr. President, will the Senator from Nevada yield?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Nevada yield to the Senator from Iowa?

Mr. BIBLE. I am happy to yield to the distinguished Senator from Iowa. He is a freshman member of our committee, but I know of no one who takes a more active interest in District of Columbia affairs. He has been a most valuable member of the committee.

Mr. MILLER. I thank the Senator from Nevada.

I should like to ask whether it is true that the amount of payment by the Federal Government to the District of Columbia, as called for by this bill, is necessary in order to offset action taken by the Congress itself in connection with pay raises which have been forced upon the District of Columbia. Is it not true that in order to meet those increases in salaries, which Congress itself has supported, the amount of Federal Government payment to the District of Columbia called for by this bill is necessary, in order to balance those pay increases?

Mr. BIBLE. In large measure that is true. Other items have been added since then, but it is true that at the last session the Congress passed pay increase measures which, as I recall the figures, increased the total cost to the District of Columbia in the neighborhood of $9 million. So the Senator from Iowa is correct in his observations.

The Federal payment to the District of Columbia is extremely important. For example, the District of Columbia has approximately $18 million of liability for hospitals built in the District of Columbia, but 40 percent of the patients live in nearby suburbs, and provide the District of Columbia with little or no tax revenue for such facilities.

In addition, police protection and fire protection must be provided. I have already commented on the police protection. It is necessary because of one of the most distressing, alarming, and grave situations which has developed in the District of Columbia, and which must be faced. We have increased the appropriation, and have provided for police dogs. I am happy to say they have worked well. The purpose is to serve as a deterrent to the crimewave which plagues everyone in the Nation's Capital, and likewise plagues people throughout the country, for the crimewave is not localized. It is nationwide, but certainly it is also felt in the District of Columbia.

Mr. President, in order to demonstrate the awareness nationwide of the importance of the Federal payment to the city of Washington, I ask unanimous consent to have printed at this point in the RECORD editorials from 23 daily newspapers, published in 15 different States, urging the Congress to provide additional funds for the support of the Capital City. The editorials were sent to me by the Federal City Council and by Mr. George Garrett, past president of the council, which is a local organization of civic-minded citizens from all over the country, who are interested in having the District of Columbia built up until it is a showcase and a model city for the world. Of course we are much interested in having that done, whereas, believe me, the District of Columbia now has its shortcomings.

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

[From the Indianapolis Times, Feb. 15, 1961]

CAPITAL HEADACHE

While fretting about the tax burden of local government, there's one thing to be thankful for:

Indianapolis isn't Washington, D.C.

The citizens of the Nation's Capital, who can't elect their own officials, pay taxes for all the services we get from local, county, and State governments.

More than half the property in Washington belongs to the Federal Government, foreign governments, and tax-exempt outfits—so the taxable property has a double job to do.

The huge Washington payroll of the Federal Government can't be touched.

The Federal Government does kick in a subsidy, much less than is commonly believed.

From 1879 to 1921, half the District budget was paid for by the Federal Government, but this is down to 16 percent in the budget for 1962.

This budget includes the cost of Federal projects, such as the zoo, Federal Park Police, Federal hospital construction.

Washington, D.C., this year is asking Congress to kick in $36 million ($32 million was authorized for 1961, but only $25 million spent).

Too many Congressmen, charged with responsibility for the Capital's municipal problems, don't really care, no more than some State legislators care about the problems of Indianapolis.

But Washington needs this increase, a drop in the bucket to the Congressmen, a great aid to the city.

[From the Boston Herald, Feb. 16, 1961]

HARD-UP CAPITAL

Citizens of the Nation's Capital, who have long complained about their votelessness, now have another gripe. The Federal Government isn't paying its fair share of the municipal bills.

The Government occupies about half of the Capital City's total area and its holdings are tax free. In the past this has been made up by substantial Federal contributions to the city budget. But the size of the contributions has been steadily diminishing. Since 1921 it has dropped from 50 percent to less than 15 percent. Most recently it has averaged about 12 percent.

This simply is not enough to meet the city's budgeted expenses, many of which, such as park and police costs, are dictated by the Federal Government.

Boston should be particularly sympathetic to Washington's problem. A geographically restricted city like the capital, it also has an excessive amount of its area (35 to 40 percent) given over to tax-free uses. But Boston now gets more financial help from the State (26 percent of total general revenue) than Washington gets from the Federal Government (19 percent of total general revenue).

Washington, to be sure, doesn't bear down nearly as hard on the property tax as Boston does. But it raises more money from other sources. And the Capital's higher income families and business have been migrating to the suburbs, just as Boston's have, to escape the increasing imposts.

The District Commissioners are asking Congress this session to authorize a Federal contribution of $36 million. We hope that the full amount will be voted and that Congress will study the city's financial situation to determine whether a more generous sum should be allocated in the future.

Washington is not just another city. It is the National Capital, and, as such, it is everybody's responsibility. We cannot afford to have it run down because the Federal Government doesn't pay for its accommodations. Voting America must see to it that the voteless Capital gets its due.

[From the Commercial Appeal, Feb. 16, 1961]

CAPITAL SEEKS HELP

There is a popular idea that the Federal Government pays expenses of the city of Washington. On the contrary, owners of homes and businesses are taxed as much as they would be in an ordinary city, county, and State of the same size. Their taxes are $30 million more than they were 4 years ago.

But almost 53 percent of the land is tax exempt and boundaries of the District of Columbia are fixed in a way that blocks annexation which might enlarge other cities.

Because of the high proportion of land it occupies, the theory is that the Government will make up the tax loss by appropriations. But since 1956 the Government has been paying an average of only 12 percent of the city budget. Congress authorizes more generous amounts but follows through with only part of it in appropriation. For fiscal 1961 the appropriation is $25 million.

Now the city's government is asking the Nation's citizens to help them get both authorization and appropriation of $36 million for the new budget. With a more rapid movement to the suburbs than in other large cities, the tax ability is declining and the city is deteriorating.

On the point of appearance of the Nation's Capital, as well as the justice of replacing taxes on property used for governmental purposes, the Federal City Council is hoping Members of Congress will get messages from home in support of more adequate Federal money for city government.

[From the Cincinnati (Ohio) Enquirer, Feb. 16, 1961]

LET AID BEGIN AT HOME

It is one of the ultimate ironies, we think, that Congress should find itself beseiged by petitions for financial assistance from—of all people—the residents of Washington.

But the fact is that the Commissioners of the District of Columbia are asking the current session of Congress to authorize and appropriate $36 million as the Federal Government's share in defraying the cost of municipal government in the Nation's Capital.

Many Americans probably have supposed that Congress provides Washington with its entire financial support. But in actuality, the residents of Washington pay property and other taxes comparable to those paid by the people of other U.S. cities of similar size. The Federal Government has contributed to the city's budget as recompense for the fact that the Federal Government occupies roughly half of Washington—all on a tax-free basis.

The obligation of the Federal Government to help defray the costs of local government was recognized almost from the moment of Washington's establishment. During the city's early history, Congress made occasional, though generally hit-and-miss, financial contributions. From 1879 until 1921, Congress recognized 50 percent as an equitable Federal share of Washington's financial load. For the following 3 years, the Federal share was fixed at 40 percent of the city budget. But in the years since, Congress has simply appropriated a lump sum.

One result of Congress' failure to recognize its financial responsibilities to the people of Washington has been the growing inability of Washington's city government to keep abreast of the city's growing population and its demand for the same services and facilities that the people of comparable cities enjoy.

These failings are as much a matter of concern to the people of Cincinnati and Dayton and Columbus as they are to the people of Washington. For Washington, alone among the cities of America, belongs to all the American people. It is a Federal district, in which the people of Utah and Vermont, Florida and New Mexico own an equal share.

It certainly behooves a Nation like ours to be able to point with pride to its Capital. Yet pride demands the kind of orderly, efficient municipal government that Washington can scarcely provide if its principal industry—the Federal Government—fails to assume its fair share of the cost.

[From the Sunday Oregonian, Feb. 19, 1961]

TAX-PINCHED CAPITAL

Members of Congress, whose second home is in the Nation's Capital, should not need an annual reminder from their home-State newspapers that they have been neglecting a financial obligation to the city of Washington, D.C. But the fact is that the Federal appropriation for city government, in lieu of taxes on the more than 50 percent of the real property area occupied by the Federal Government, has been on a declining scale since 1921—that is, from 50 percent to 12 percent.

At the same time, there has been a flight of residents to the suburbs beyond Washington's fixed city limits, requiring annual tax increases on those remaining. Municipal taxes are comparable to city, State, and county taxes in other cities and have increased more than $30 million in the past 4 years. District officials are asking for a $14.1 million increase in 1962.

The District Commissioners are asking Congress to contribute $36 million for fiscal 1962, compared with $32 million authorized and only $25 million actually delivered in fiscal 1961. The equity of this Federal support to the National Capital is undisputed. We suggest that our Members of Congress look into the matter.

[From the Hartford Courant, Feb. 20, 1961]

THE NATION'S CAPITAL HAS FINANCIAL TROUBLE

The annual Washington report has been presented to Congress by the Board of Commissioners of the District of Columbia. It contains the financial, social, and economic facts covered in most city reports. What is unusual is that it is given to Congress. In Washington the functions of a city council are performed by a legislative body that ought to concern itself with national and world affairs. Washington has become a neglected stepchild, whose demands for the right to control its own affairs ought to be supported by the rest of the country.

More than pride is involved in the plight of the Capital's voteless citizens. Their financial troubles are different from those of other cities. The Federal Government owns many buildings and installations there upon which it pays no taxes. Foreign government properties are also tax exempt. A total of 52 percent of the city's area pays no taxes. No other city has so high a percentage of tax-exempt land. Most of the city's budget of $287 million is raised through local taxes. And the higher income families and businesses are rapidly moving to the suburbs.

The payments made by Congress in place of taxes have been falling behind the city's needs. The share was 50 percent of the city budget up to 1921, then 40 percent up to 1924, and since then Congress has appropriated a lump sum. In 1958 it was down to 12.9 percent. Last year the Government paid $25 million.

This year it is being asked to put up $36 million. In a well-regulated system Congress would not have to concern itself with the internal affairs of a city government. The least it can do is to make an adequate payment to the District of Columbia for services provided. Then it might well give attention to the request for home rule.

[From the San Francisco Chronicle, Feb. 22, 1961]

TAX PROBLEM IN DISTRICT OF COLUMBIA

As this is Washington's birthday, we as citizens should look into the affairs of the city we have named for him.

Certainly conditions in the Capital are not healthy. The problem is financial. Some of Washington's leading, voteless citizens are asking for general understanding of it.

About one-half of Washington's total area is occupied by the Government tax free. (Actually, 43 percent is owned by the Federal Government and 9.8 percent by foreign governments and other tax-exempt groups.) No other major city has so high a percentage of tax-exempt land.

It has been customary for Congress to provide money in lieu of taxes to help the District of Columbia; the latest such payment was $25 million, or less than 10 percent of the city's proposed $287 million budget.

District of Columbia Commissioners are asking Congress to authorize a Federal share of $36 million this year. We are impressed and sympathetic and urge Congress to do so.

[From the Cleveland Plain Dealer, Mar. 2, 1961]

ATTENTION, CONGRESS

We have received a letter from John T. O'Rourke, editor of the Washington Daily News, saying that the Nation's Capital is having budget trouble and asking for our assistance.

Our first thought was to wonder why we should worry about the District of Columbia's budget when we have other budgets to worry about which affect us more directly—such as Mayor Celebrezze's budget, Governor Di Salle's budget, and President Kennedy's budget.

But then we realized that Washington has problems which no other city has, and it has these problems precisely because it is the Nation's Capital. Almost half of the total area of Washington is Federal property, on which no local taxes are paid. To compensate the city for the resources taken off the tax rolls by Government buildings and installations, Congress customarily makes a contribution to the city's budget.

From 1879 to 1921 the Federal contribution amounted to approximately 50 percent of the budget. Since then it has fluctuated from a high of 39½ percent in 1924 to a low of 8½ percent in 1954.

Last year the Federal contribution was $25 million. This year, with a total budget of $287 million the city, or District, is asking for a Federal contribution of $36 million. All the city's expenditures, except the Federal contribution, are financed by local taxes.

This seems to be a reasonable request. The $36 million is a paltry sum in comparison with the billions that are spent on foreign aid. If Congress can find justification for spending billions around the world in projects of dubious value, it surely can afford to appropriate enough money to keep the Nation's Capital in good working order.

[From the Corpus Christi (Tex.) Times, Mar. 4, 1961]

OUR CAPITAL

The physical well-being of this Nation's Capital City should be a matter of concern to all prideful Americans. It should be a showplace of democratic achievement. Unfortunately it is much less than it should be, and could be, largely because of Congress unfair parsimony in the Federal share of the city's upkeep and improvement.

The Washington, D.C., city budget is financed from two sources, local taxes on residents and business and an in-lieu-of-tax payment appropriated by Congress on tax-exempt Federal properties and operations. During this century, the Federal payment has dropped from 50 percent to less than 10 percent of the city's budget.

Meanwhile, local taxes have increased $30 million in the past 4 years, with a $14.1-million increase anticipated for the coming year. District residents and businesses thus pay the bulk of the city's total budget, now $287 million.

Federal cost-causing operations are increasing, with 52.8 percent of the city's land area now tax exempt. Residents and businesses are moving to the suburbs to escape the tax burden, and Washington's boundaries cannot be extended to include the growing suburbs. To continue this financial squeeze is bound to cause the Capital City to deteriorate.

Congress since 1958 has authorized a flat $32 million Washington payment, about 13 percent of the current budget, but has actually appropriated less—$25 million, for example, for the fiscal 1961 budget. District Commissioners are asking Congress this session for a $36 million authorization, appropriated in full. That appears to be a modest enough request under the circumstances, and one that the rest of the Nation in all fairness should favor.

[From the Bridgeport Post, Mar. 4, 1961]

More Washington Woes

No matter where they live, all Americans are obliged to take a serious interest in the housekeeping problems of Washington, D.C. The condition of the Nation's Capital is especially important both for the inspiration derived by visiting citizens and the impression it gives those from foreign lands. Through our Representatives in Congress, we all share a great deal of the responsibility for keeping Washington up.

These days, an effort is being made to focus attention on Washington's mounting financial problems. An increase is sought in the amount appropriated annually by Congress to compensate the Federal City for resources taken off the tax rolls by Government buildings and parks. About one-half of Washington's total area is occupied by the Government and is tax free. The Federal share is paid in lieu of taxes on this area. In recent years, the share has been cut steadily until it now represents only 16 percent of the budget for 1962.

The District Commissioners are asking this session of Congress to authorize a Federal share of $36 million and to follow up by appropriating this amount. The Federal share has been appropriated in varying amounts ever since Washington was established as the Capital City. Until 1879, it was voted on an occasional hit-or-miss basis. From 1879 to 1921, it was fixed at 50 percent of the budget. From 1921 to 1924, the ratio was set at 60 percent local and 40 percent Federal. Since 1924, Congress has simply appropriated a lump sum.

The percentage of costs borne by the United States, since 1924, has fluctuated from a high of 39.5 percent in that year to a low of 8.5 percent in 1954. Since 1956, the Federal payment has averaged only slightly over 12 percent. In fiscal 1961, Congress approved a Federal payment of $25 million. This year, a budget of $287 million has been proposed for the city.

Many non-Washington residents mistakenly believe that Congress appropriates Washington's entire budget. The fact is, the bulk of the city's overall budget is raised completely through local taxes. An adequate Federal payment should be approved by Congress to prevent deterioration of the Nation's Capital.

[From the Raleigh (N.C.) News and Observer, Mar. 4, 1961]

Fenced In

Any spreading city worrying about the problems of annexation, services, and so forth, should contemplate the situation of Washington, D.C. Perhaps such a State capital as Raleigh should recognize how much luckier it is than the National Capital.

Washington wants the Federal Government to pay a greater share of the cost of its government. Some similar suggestions have been heard in Raleigh where, as in Washington, much tax-free State property exists. But, while in Raleigh, government brings people to the town and its suburbs who can be taxed, Washington is really caught.

The borders of the District of Columbia were long ago fixed. Indeed, they were retracted to return some of the area to Virginia. Now, however, the Washington Daily News reports that there "higher income families and businesses have been migrating to the suburbs." That, of course, has happened everywhere but, in the case of Washington, vast suburbs are in Maryland and Virginia beyond the firmly fixed District line.

This puts the National Capital in a box which deserves the contemplation of the American people. Other cities have the same problem. Few are so fenced in from possible local solutions.

[From the St. Joseph (Mo.) News-Press, Mar. 6, 1961]

Financial Troubles

Our Nation's Capital and the city that houses it are the pride of every American. Washington, D.C., is a beautiful city with more than half of its area taken up by Federal buildings. Now our Nation's Capital is in stringent financial difficulties.

Each year Congress appropriates money to compensate Washington, D.C., for resources taken off the tax rolls by Government buildings and installations. This appropriation is paid in lieu of taxes. The sum has steadily been trimmed in recent years. It now represents only 16 percent of the 1962 budget.

Washington's higher income families and even businesses have been migrating to the suburbs at a much higher rate than in other cities. Washington's taxes are comparable to those of surrounding areas. To raise those would only quicken the exodus from the city to the suburbs.

The District Commissioners have asked Congress to appropriate $36 million this session as a fair compensation for the loss of taxes on the half of the area that houses Government structures.

Many non-Washington residents erroneously think that Congress appropriates all of the District's budget. Nothing could be further from the truth. The city's overall budget this year totals a proposed $287 million raised completely through local taxes.

If the Federal Government were to pay the city the amount which a private employer of comparable size would pay in taxes the annual Federal share to the city would be $62.5 million. That is almost double the $36 million being asked of Congress by the city of Washington, D.C.

We think that Congress, in all fairness to the taxpaying residents, should appropriate the $36 million being asked by the District Commissioners.

[From the Santa Barbara (Calif.) News-Press, Mar. 6, 1961]

Capital Has Financial Woes

Most Americans, whether they have been there or not, know that the climate of Washington, D.C., is generally atrocious. Few realize that the tax situation in our Capital is just as abominable.

One of the public misconceptions about the city which houses our National Government is that Congress pays all its municipal expenses. The truth is that Federal appropriations make up only a low fraction of Washington's budget. The rest is raised through local taxes, which have been increased by more than $30 million in the past 4 years, to the point where Washington citizens are paying the equivalent of city, county, and State taxes paid by the citizenry of other cities of comparable size.

About one-half of Washington's total area is occupied by the Federal Government and is tax free. The Federal appropriation is to compensate the city for resources taken off the tax rolls by Government buildings and installations. In recent years, Congress has been trimming the amount steadily until it now represents only 16 percent of the 1962 municipal budget.

To ward off another tax rise, District of Columbia Commissioners are asking Congress to authorize a Federal share of $36 million, or $11 million more than was approved in fiscal 1961. This amount seems entirely reasonable, for the U.S. Government would be paying the city more than $60 million if the ratio applied whereby private corporations pay $1 in State and local taxes for every $20 spent for salaries.

Americans take pride in their Capital City. Residence there should not be penalized by unfair taxation. The modest Federal share needed for its upkeep is insignificant in the grand total of national expenditure, and to scrimp on it is like pinching from the egg money. By all means, Congressmen, pay the $36 million.

[From the Lincoln (Nebr.) Evening Journal, Mar. 7, 1961]

An Appeal for Help

Rating with the man bites dog story is the appeal from Washington to the States.

So commonplace has been the appeal by the States to Washington for help, it comes somewhat as a surprise when the Nation's Capital looks to the States for aid. The States are not unsympathetic. Many have already ratified the amendment to the Constitution which would give Washingtonians the right to vote for President and Vice President.

But now comes a letter from a fellow editor, John T. O'Rourke of the Washington Daily News, which says, "The Nation's Capital is in trouble. Washington's problem is financial. It arises from the need for a more adequate Federal payment to the city's budget. About one-half of Washington's total area is occupied by the Government and is tax free. The Federal share is paid in lieu of taxes on this area. In recent years the share has been cut steadily in amount until now it represents only 16 percent of the budget for 1962."

The Federal share has been appropriated in varying amounts ever since Washington was established as the Capital City. Until 1879, it was voted on an occasional, hit-or-miss basis. From 1879 to 1921, it was fixed at 50 percent of the budget. From 1921 to 1924 the ratio was set as 60 percent local, 40 percent Federal. Since 1924, Congress has simply appropriated a lump sum.

In 1958, Congress authorized an annual payment of $32 million which is 12.9 percent of the budget for 1962. However, Congress has never appropriated this full amount. In fiscal 1961, for example, Congress approved a Federal payment of only $25 million.

Washington's boundaries are fixed and cannot be extended to include the growing suburbs, where many, who make their livelihood in Washington, live. Increasing the tax burden in the Capital City will only accelerate the flight to the suburbs.

Recent studies show that a cross section of the Nation's largest corporation pays $1 in State and local taxes for every $20 spent for salaries. If the same ratio were applied to the total estimated Federal payroll of over $1,250 million in Washington, and the Federal Government were to pay the city the amount which a private employer of comparable size would pay in State and local taxes, the annual Federal share to the city would be $62.5 million. District officials are asking for $36 million.

Why is this issue important to people living in the hinterlands? Because Washington is the Nation's showcase. Unless the Federal Government bears a fair share of the operational costs of this city, unique in government and problems, the city will deteriorate.

Further the city must depend upon the charity of the Congressmen, many of whom are dedicated to cutting expenses of Government, and it is easier for the Congressmen who gets no votes in the District of Columbia, to trim Washington's budget item than items affecting their own State.

It would, indeed, seem that our fair Capital City needs help and Nebraskans should encourage their Congressmen to be a bit more generous to the end that Washington will always be the city beautiful.

[From the Utica Daily Press, Mar. 7, 1961]

FUNDS FOR U.S. CAPITAL

In addition to its primary functions of legislating for the Nation as a whole, the Congress also has the job of providing some of the money needed to maintain the city and district in which the Government is located.

Fundamentally, every American cannot oppose helping defray some of the costs of maintaining his Nation's Capital City, for it is a burden to be shared by 180 million citizens rather than the 90,000 who live and work there. The city's beauty alone is enough repayment for many of us.

For the past 6 years the United States has paid slightly over 12 percent of the cost of District operation. However, there have been years when the actual appropriation failed to catch up with the voted amount. In fiscal 1961, Congress approved $25 million, which was less than authorized. Washington's current budget is $287 million.

Washington, moreover, has unusual problems that do not confront other U.S. cities. Last year the Federal Government owned 43 percent of the land, all tax exempt. Foreign governments own considerable land for embassies. Its figure of 52.8 percent is the highest of any city for tax-exempt land.

The city has the expense of such things as federally owned parks, Federal Park Police and a Federal zoo. Nor can the city extend its boundaries as so many others have done to rope in further taxable units.

All in all, the District faces an urgent need for more funds, which must be approved by House and Senate District Committees and the money then released by the Appropriation Committees of both Houses.

The desire of every citizen to maintain a beautiful, modern and efficient Washington should be translated into prompt action by the proper committees in the form of increased funds.

[From the Visalia (Calif.) Times-Delta, Mar. 8, 1961]

WASHINGTON, D.C., IN FINANCIAL DILEMMA

Residents and taxpayers of Washington, D.C., the Federal City, who long have drawn sympathy from other U.S. citizens because they cannot vote, are in another sort of trouble.

Most persons may not be aware of this, but the Washingtonians pay heavy property taxes, just like everyone else. Many believe that the Federal Government foots the bill for operating Washington as a city, but this is only partly true, and that's where the trouble comes in.

Actually, the Federal Government pays only a share of the Federal City's budget. Through the years it has ranged from 50 percent of the budget to a low of 8½ percent The bulk of the city's overall budget, this year amounting to a proposed $287 million, is raised completely through local taxes.

Because of the Government's tendency to grow and grow, the taxable portion of Washington, whose boundaries are frozen, is getting smaller and smaller. The Government now owns 43 percent of the land; other nations which also are tax exempt own another 10 percent, approximately.

This means that the citizens and taxpayers of Washington are facing additional higher taxes, and many of the individuals and businesses in the higher income levels are escaping that by fleeing to the suburbs, out of the city proper.

For 1961, Congress has approved a Federal payment of $25 million to the city's budget, which seems like a minute portion indeed in view of the tax-exempt property it holds and the many services it expects the city to maintain.

There doesn't seem to be any doubt that the Government is getting quite a bargain in its present in-lieu-of-taxes payments to the city, but there isn't any doubt either that a more equitable formula for these payments should be devised.

[From the St. Louis Globe-Democrat, Mar. 13, 1961]

WASHINGTON'S STAR BOARDER

Residents of Washington, D.C., who are having their problems in winning the right to vote in presidential elections, are taking a beating by having the Government as their star boarder.

About half of the city's total area is occupied by Government facilities which are tax-free. In lieu of taxes, the Government is supposed to assume its fair share of the city's upkeep. But in recent years the amount has been cut steadily until it represents only 16 percent of Washington's municipal budget for 1962.

Congress ought to approve the District Commissioners' request for $36 million of Federal funds toward Washington's $287 million budget. Our national edifices and shrines would lose some of their patriotic luster if they stood in surroundings grown shabby because Uncle Sam reneged on a solemn promise.

[From the Honolulu Star-Bulletin, Mar. 17, 1961]

A CRY FOR FEDERAL AID

Few Americans are more frustrated than the residents of Washington, D.C.

They are disfranchised. They also are heavily taxed, more so perhaps than those of any city of comparable size in the country.

The city of Washington occupies a Federal district in which 43 percent of the land is owned by the Federal Government and other tax-exempt land (foreign embassies, for instance) brings the total nontaxpaying area of the city to 52.8 percent.

The cost of running the city government is higher than that of a normal city of similar size for a variety of reasons. There is no heavy industry. The U.S. Government is the principal employer. The city's boundaries are fixed and cannot be extended to include the growing suburbs, where residents' income has risen more swiftly than that in the city proper.

The Federal Government realizes it has a responsibility to bear a share of the burdens of running the city, but its actual contributions have fluctuated widely over the years.

Until 1879, the Federal contribution was voted on an occasional, hit-or-miss basis. From 1879 to 1921, it was fixed at 50 percent of the budget. From 1921 to 1924 the ratio was 60 percent local, 40 percent Federal. Since 1924, Congress has simply appropriated a lump sum, ranging from a high of 39.5 percent in that year to a low of 8.5 percent in 1954.

In fiscal 1961 Congress appropriated $25 million. This year's budget totals $287 million (more, incidentally, than the total budget of the State of Hawaii and all the counties combined).

Residents and businesses have borne an increasing tax burden. Their taxes have increased by more than $30 million in the past 4 years and District officials are asking Congress to approve a further tax increase of $14.1 million for fiscal 1962.

Recent studies show that on the average, the Nation's largest corporations pay $1 in State and local taxes for every $20 spent for salaries. If the same ratio were applied to total estimated Federal payroll of more than $1,250 million in Washington, and the Federal Government were to pay the city the amount which a private employer of comparable size would pay in State and local taxes, the annual Federal share to the city would be $62.5 million.

Is it any wonder that Washington residents are appealing for additional Federal aid to run their municipal government.

[From the Christian Science Monitor, Mar. 21, 1961]

FAIRNESS TO WASHINGTON

How would you like to be a member of the city council of a town where the largest industry did not have to pay taxes or could set its own tax bill? The Capital of the United States—Washington, D.C.—is in this situation, without even an elected city council to speak for its residents and taxpayers.

There is a Federal City Council which has taken an interest in the plight of the Capital City. Members of its national board live in New York, Boston, Philadelphia, Baltimore, Cincinnati, Detroit, Chicago, New Orleans, Dallas, and elsewhere. This cross section expresses in a way the responsibility the Nation should feel for assuming its share of the municipal services for an area which is or should be its showplace.

The Commissioners who administer the Washington City government are asking Congress this year to appropriate $36 million as its part of the District of Columbia budget to compensate for the resources taken off the tax rolls by Federal buildings and installations. This would be 12 percent of the budget.

Last year Congress appropriated only $25 million, or less than 10 percent of the budget, for this purpose. That figure was, as usual, substantially less than the same Congress earlier had "authorized."

At the same time it voted a $6 million increase in salaries for District employees which the Commissioners had not recommended, but has failed in its capacity as city council to act on a request for supplemental funds to cover the increase.

Tax collections from property owners in the District of Columbia have risen $30 million during the last 4 years and are expected to rise another $14 million in 1961–62. In a city where the Government owns 43 percent of the land it would certainly seem only fair for it to meet more than 12 percent of the municipal costs.

[From the Courier-Journal, Mar. 21, 1961]

IS THERE NO BALM IN WASHINGTON?

Iowa has ratified the proposed constitutional amendment permitting residents of the District of Columbia to vote in presidential elections. Only five other State ratifications are required. The Washington Post expects that these will be forthcoming in the next week or so. The rapid progress of the amendment is gratifying, although Congress is still left a cruel stepmother of Washingtonians.

The Federal Government owns 43 percent of the real estate in Washington. But that is not the full total of the city's tax-exempt property. Foreign embassies and tax-exempt private organizations at the Capital bring the sum of such property to 52.8 percent of the urban area. Every major city suffers from the financial problem produced by tax-exempt property within its borders, but none to the extent Washington endures.

Congress fixes Washington's local taxes, but in recent years has just barely recognized the city taxpayer's plight. Currently less than 10 percent of the city's budget is met from Federal funds. Congress is now being asked to appropriate a modest increase in the Federal share—that is, $36 million, or 12 percent of the municipal budget. Washington's taxpayers would still groan under a heavy load of about $250 million, but they deserve at least a drop of painkiller.

The proposed amendment giving the District's residents the right to vote in presidential elections is itself a grudging thing. The District is allotted only three votes—the barest minimum—in the electoral college. "Is there no balm in Gilead?" Jeremiah asked. Is there no political balm for the Washington taxpayer? Well, hardly any.

[From the Los Angeles Times, Mar. 31, 1961]

THE 23D AMENDMENT—AND TAXES

For the first time since 1800 citizens of the Nation's Capital will have the right to be heard in presidential elections. Ratification of the 23d amendment to the Constitution by three-fourths of the States means that, come 1964, three more electoral votes will be cast for President and Vice President.

Approval of the amendment corrects an oversight which was written into the Constitution by its framers. Article II, section 2 provides that "each State shall appoint * * * a number of [presidential] electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress * * *."

But the District of Columbia (which, as the Nation's 13th city, is more populous than 11 of the States) has neither Senators nor Representatives nor statehood. Hence, it has had no electors and therefore no right to the ballot. The new amendment, it should be noted, does not provide for direct popular voting. But it does authorize electors for the District, and Congress can now, by a simple law, establish the terms for voting.

Washington, however, still has a major grievance. To a great extent the Capital is an economic ward of the Federal Government, subject to the whims of Congress. The cost of running the city, which this year is expected to come to $287 million, must be raised almost completely through local taxes. But local taxes in Washington are hard to come by.

A total of 52.8 percent of the District's area is owned either by the Federal Government or by foreign governments (for embassies, etc.). None of this property is subject to tax. In place of taxes Congress used to authorize up to 50 percent of the city's budget. Lately it has authorized a lump sum, now only $25 million for fiscal 1961.

Citizens of Washington are already paying the equivalent of city, county, and State taxes paid by residents of other cities of comparable size. They cannot be expected to bear a heavier tax burden. Furthermore, the city's boundaries are fixed, and cannot be extended to include the growing and economically prosperous suburbs.

The Federal Government, which is the largest property owner and user of municipal services in Washington, now pays less than 10 percent of the city's budget. In addition Congress continues to authorize pay raises for District employees, but neglects to authorize additional funds to meet these budgetary increases. Washington now needs a minimum of $36 million from the Federal Government to meet its budget. Congress has seldom neglected the obvious economic needs of the States. The least it can do now is take care of the interests of its own home.

[From the Columbus Citizen-Journal, Apr. 1, 1961]

WASHINGTON WINS VOTE

Only 38 States needed to ratify the 23d constitutional amendment granting citizens of the District of Columbia the right to vote in presidential elections. Ohio this week became the 39th. The legislature, typically slow, missed the chance to be the decisive State.

When first adopted, the Constitution provided for a Federal City. The site hadn't been chosen, so no provision was made for voting rights for people living in it.

As James Madison suggested, it was an oversight rather than any intention to deprive voters of their rights. It took 161 years to remedy—only partially at that. They can now vote for President, but 763,000 District of Columbia residents still have no Representative in Congress.

Washington is the only city of the world whose citizens are deprived of suffrage simply because of their address. A Senate report commented last year:

"In a democratic society * * * created to rectify the inequity of 'taxation without representation,' the denial to any group of citizens of a voice in the Government which taxes them and can send them to their deaths in the country's defense is an injustice."

Congress has been niggardly toward voteless Washingtonians who must look to it for support. Residents of the District pay taxes comparable with other cities. But 43 percent of its area is Government occupied and nontaxable.

Its people are moving to outside suburbs as in other cities. But unlike other cities it cannot annex them. Congress contributes a share to city expense, but it is erratic, fluctuating from a high of 40 percent to a low of 8.

Washington, Capital City of all Americans, is deteriorating. Congress has been just as neglectful of Washington's economic rights as it has of its civil rights.

Washington's overall budget is $287 million this year. It is asking Congress to pay $36 million as the Federal share.

If Congress can tear its attention away from foreign aid long enough, it should give heed to the needs and rights of our Capital City. All of us, not just the people who live there, are proud of it.

[From the Houston Post, Apr. 16, 1961]

NATIONAL CAPITAL NEEDS FEDERAL AID

Washington is not an ordinary city, and no one wants it to be. The District of Columbia, which it occupies, belongs to all the people of the United States, not just those who live there. The American people expect the Capital to be more than a center of government. They want it to be a monument. They want it to present a face to the world that is beautiful, impressive, and symbolic of the Nation.

This imposes a special burden of responsibility upon those charged with administration of the local government, who are appointed Commissioners since the District is not self-governing. They have succeeded to a considerable degree in making Washington the kind of city the country wants it to be, but the ideal is far from realized.

As a city, the Capital has the same problems as other populous urban centers. There are unmet needs for municipal services and improvements of all kinds, needed to keep pace with a growing population and the forces which make for blight and decay. Most of the civic blemishes, as in other cities, result primarily from lack of money.

Many Americans are under the mistaken impression that Congress, because it retains control, fully finances the local government. The Federal Government has contributed varying amounts to the municipal budget in the past. From 1879 to 1921, the contribution was 50 percent. Since 1921 it has declined, and in recent years has averaged about 12 percent. The rest must be raised locally from property taxes and other sources.

Yet half the city's area is occupied by Government and is tax free. The city's financial problems have been aggravated by the fact that many higher income families and businesses have moved to suburbs outside the District to escape high property taxes.

The District's Commissioners are asking Congress to contribute $36 million toward the municipal budget this year. The request should be granted. More than that, the Federal contribution should be maintained at an equitable level in the future. The amount should be sufficient to permit local officials to remove the unsightly features that now mar the appearance of the Capital and also to develop and maintain the kind of city the American people want their National Capital to be.

Mr. BIBLE. Mr. President, title VIII of the bill deals with the Motor Vehicle Parking Facilities Act. As I have previously stated, it deals with the use of parking meter revenues in the future, either for the purpose of acquiring and constructing parking lots, at the discretion of the agency, or the renting and purchasing of snow-removal equipment. It also provides for continuance of the so-called civilian meter attendants, thus increasing the potential of the police force for actual police work.

Mr. President, how much time remains under my control?

The PRESIDING OFFICER. Thirteen minutes.

Mr. MORSE. Mr. President, I call to the attention of the Senator from Nevada [Mr. BIBLE] the fact that the Senator from Oregon will have six or seven amendments to offer to the bill. The Senator from Oregon is desirous of having several yea-and-nay votes on these amendments, because they are of importance, and I ask for the cooperation of the majority leader and the chairman of the committee in helping me get those rollcalls. However, I shall discuss all the amendments in my first speech. I am glad to cooperate with the chairman of the committee and the majority leader by proceeding in this way, in order to save time.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. MORSE. I yield myself 15 minutes.

I merely want the majority leader and the chairman of the committee to know that in the back of my mind is the intention I have stated.

Before I proceed to expressing my opposition to portions of the bill, I first want to say that the Senator from Nevada [Mr. BIBLE] is deserving of the commendation of the Senate for the wonderful leadership he has rendered in this field as chairman of the Committee on the District of Columbia. I have served on that committee for many years. I have been an alderman for the District of Columbia ever since I have been in the Senate. I mean no flattery when I say to the Senator from Nevada [Mr. BIBLE] that every citizen of the District of Columbia is greatly indebted to him for the wonderful leadership he has given to the District as chairman of the Committee on the District of Columbia.

I find it regrettable that I cannot agree with him as to some parts of the bill. I am going to let the RECORD speak for itself. I hope, before I finish, I may be able to work out some compromises in respect to the bill which are, in my opinion, sorely needed.

As the Senator from Nevada knows, I cannot in good conscience, acquiesce in a proposal to increase a sales tax. I would greatly prefer to be in a position to assist the committee in passing a measure designed to repeal existing sales taxes. As the Senator is aware. I submitted a statement against the sales tax feature of the pending bill, before the Fiscal Affairs Subcommittee, and I voted against it in our full committee session.

I oppose the measure on the following grounds.

First. H.R. 258 increases a tax which is regressive, inequitable, and a nuisance to the business community, which, perforce, must act as tax collectors for the District of Columbia.

Second. The sales tax already adds its burden to many items which in this day and age are necessities, even though it does exempt food from its increase in levy. It taxes, I repeat, necessities which are already subject, in many instances, to Federal excise taxes.

I am against excise taxes, although I am going to propose increases in excise taxes, but not on necessities. Such excise taxes are going to be based on ability to pay, but excises generally are not based on that principle.

Excise taxes, as I am sure the Senator is aware, are but disguised sales taxes. H.R. 258 thus increases the cost of living to the consumer, which is already high.

Mr. President, I say in all seriousness that we can, and should, find alternative sources of revenue to operate the government of the District of Columbia.

I do not think, simply because the Congress has not appropriated sufficient money, that we, as Senators, can justify imposing upon the people of the District of Columbia what I think is a very unfair tax.

My view is that we have to make a stronger drive than we have made in some years past for a much larger appropriation from the Congress to pay what I think is a greater share of the costs of the District—a share which Congress owes to the District and owes to the country.

The status of the District as the Federal City imposes unique financial burdens which should be borne by the people of the United States as a whole, rather than by residents of the District of Columbia alone. As we all know, it is expensive to maintain an entire city as a national monument. When public structures are required to harmonize with a master plan, costs go up. This factor, for example, will increase the cost of the new Theodore Roosevelt Bridge by one-third. The National Park Service receives more than $3½ million a year from the District of Columbia for the maintenance of federally owned and operated parks which are far more extensive—and, indeed, more beautiful—than those maintained by most other major cities. This year the cost to the District for the support of the federally operated National Zoological Park alone is $1.3 million. Congress has required the District to share a substantial part of the cost of hospital construction within the city; yet 40 percent of the patients treated at these hospitals are not residents of the District of Columbia.

Mr. BIBLE. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. BIBLE. I thought it might be well to state this for the RECORD. The Senator has mentioned that the zoo costs the District of Columbia $1.3 million a year. This is a problem that has always somewhat troubled me, because the zoo is under the control of the Smithsonian Institution. Yet the District of Columbia pays the price tag on a zoo which I think may well be of national significance.

Mr. MORSE. I agree.

Mr. BIBLE. We have received donations of tigers and various other animals from all over the world. If the point that the Senator from Oregon is attempting to make is that this should be a Federal responsibility, rather than a city responsibility, I certainly wholeheartedly join with him. Perhaps we could devise legislation, as long as the zoo is controlled by the Smithsonian Institution, whereby the U.S. Government would pick up the price tag.

Mr. MORSE. I agree. What I am trying to do in this part of my speech is point out to the Congress and the country what the fiscal situation is and how unfair we are, as a Congress, to the District of Columbia; and the responsibility and fault rest squarely on the Congress.

That is why, for the years I have been in the Senate I have been trying to get the Congress to give up its control over the District of Columbia, and stop preventing the citizens of the District of Columbia from becoming first-class citizens, and let them run their own city, as do the citizens of the capitals of States all over this country. Those capital cities are run by the citizens of those cities, and not by the States.

I know the Senator from Nevada and I agree on this principle. I am not in dispute with him. I am in dispute with him only over the fact that he is willing to increase the sales tax, rather than go on with a deficit. Perhaps that is what has to be done in order to awaken the Congress to its responsibility.

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

Mr. MORSE. I know the Senator from Nevada has many contributions that he can make to the debate, but I do not wish to yield until I complete my statement. I have a lengthy statement to make.

Mr. BIBLE. This would not take over 30 seconds.

Mr. MORSE. I am glad to yield to him for that short time.

Mr. BIBLE. When I find myself in agreement with the Senator from Oregon, I like to rise to state it——

Mr. MORSE. We are in agreement 99 percent of the time.

Mr. BIBLE. On the question of home rule for the District of Columbia, I am in 100-percent accord with the Senator from Oregon. He has led the good fight year after year. We have a bill before the committee on that question. I hope, prayerfully, it may be enacted into legislation.

Mr. MORSE. Why does the Senator want to raise the sales tax?

Mr. BIBLE. Because some of the teachers and policemen may go without pay.

Mr. MORSE. I am for paying them. I take care of them in my amendments.

Mr. President, Congress has required the District to share a substantial part of the cost of hospital construction within the city; yet 40 percent of the patients treated at these hospitals are not residents of the District of Columbia.

At the present time, the District's unpaid liability in this program alone is almost $18 million.

I think it should be pointed out that the District attracts many tax-exempt activities; for example, patriotic organizations, foreign agencies, and others, because it is the Nation's Capital. According to the District Commissioners, property with an assessed value of $275.3 million is exempt.

Property with an assessed value of $81 million has been taken off the tax rolls of the District of Columbia in the last 3 years. We continue to increase the amount of property that is tax exempt in the District of Columbia.

It should also be remembered that Federal legislation imposes building height limitations to prevent any commercial structure from overshadowing Federal structures, and this holds realty values and tax revenues down.

There are many other similar factors which tend to increase the District's cost, and at the same time decrease its revenues. Most important, however, is the fact that the tax-exempt status of the Federal Government, which is the city's primary industry, deprives the District of major sources of tax revenue such as is paid by principal employers and land users in other cities. If the Congress were contributing to the District what the average corporate employer pays in State and local taxes—an average of $1 for every $20 spent in salaries—the annual Federal payment would be approximately $62.5 million. The committee recognized some of these factors in recommending that the authorized annual Federal payment be increased to $36 million. I think $36 million is a minimum figure. A very strong case can easily be made for a much larger annual Federal payment.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point two editorials from Oregon newspapers bearing upon this subject.

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

[From the Sunday Oregonian, Feb. 19, 1961]

TAX-PINCHED CAPITAL

Members of Congress, whose second home is in the Nation's Capital, should not need an annual reminder from their home-State newspapers that they have been neglecting a financial obligation to the city of Washing, D.C. But the fact is that the Federal appropriation for city government, in lieu of taxes on the more than 50 percent of the real property area occupied by the Federal Government, has been on a declining scale since 1921—i.e., from 50 percent to 12 percent.

At the same time, there has been a flight of residents to the suburbs beyond Washington's fixed city limits, requiring annual tax increases on those remaining. Municipal taxes are comparable to city, State, and county taxes in other cities and have increased more than $30 million in the past 4 years. District officials are asking for a $14.1 million increase in 1962.

The District Commissioners are asking Congress to contribute $36 million for fiscal 1962, compared with $32 million authorized and only $25 million actually delivered in fiscal 1961. The equity of this Federal support to the National Capital is undisputed. We suggest that our Members of Congress look into the matter.

[From the Eugene (Oreg.) Register-Guard, Mar. 5, 1961]

CAPITAL (AND) FUNDS

It seems strange that there should be any public money shortages in Washington, D.C. But there are.

The city of Washington operates on a budget in part supported by congressional appropriations. These are intended to offset the Federal Government's occupancy, tax free, of about one-half of all the land area of the city.

Sadly, for residents of the National Capital, Congress has been getting stingier and stingier about these payments in recent years. At the same time, most of the city's high-income families have been moving out to the suburbs.

These matters affect not only those remaining to pay taxes in Washington. They are matters of national concern. If the city's budget isn't fattened up, the Capital of this most affluent of capitalist nations is headed toward serious deterioration. Streets will go unswept, perhaps. Pavements will go unmended. And Washington will no longer be the showplace city every American—and foreigner—expects it to be.

How much is being asked of Congress by the city of Washington this year? Thirty-six million dollars. That would be about 14 percent of the city's overall budget needs.

Back in 1921-24 Congress was willing to pay 40 percent of Washington's municipal operating expenses. In recent years the percentage of Federal participation has slipped as low as 8.5 percent.

We can't help wondering if Washington's inability to convince Congress of its critical needs has anything to do with the fact that residents of the Capital City are voteless.

Mr. MORSE. Mr. President, as I stated earlier in my remarks, my principal objection to the pending bill is that it would increase the sales tax. I am certain that if the people of the District of Columbia had any voice in the matter—and there is no sound reason in the world why they should not—they would make the same decision as the people of my State have made on at least five different occasions in rejecting a sales tax.

The proponents of this measure assert that the sales tax is the least felt of all forms of taxation. This is not true at all. The truth is that the sales tax is felt most heavily by low-income families. The illusion that they do not feel a sales tax is fostered by the fact that as a group they tend to be less articulate than the more moneyed families who would be affected by, and complain about, an increase, for instance, in the income tax.

It is true that the income tax in the District of Columbia is lower, in many brackets, than the income tax in Maryland and in Virginia. What we ought to be proposing is an increase in the income tax, based upon the progressive principle of the ability to pay.

Unlike an income tax, which tends to lessen inequalities in income, the sales tax tends to defeat this objective. It reduces consumption by the poor who spend all their income on the necessities of life.

The virtue of the income tax is that it allows an exemption of amounts considered necessary for subsistence and exempts that which is saved.

The proponents of the increase in the District sales tax recognize this inherent evil, and the best they can do is make a plea of confession and avoidance. "Our tax on food is only 1 percent," they say, "it is only other purchases which will be taxed at the rate of 3 percent." But man does not live on bread alone. What they do not say is that those other purchases include soap and shoes and all the other things which are necessary. The poor must, of necessity, spend a larger part of their income on these things than the wealthy. Whether they complain or not, they feel it, and it is most unfair to increase this burden upon them when there are so many ways it can be avoided.

Mr. President, I am of the opinion that other taxes imposed directly upon the shoulders of people in accordance with their ability to pay ought to be imposed rather than to take these people less able to pay and impose what I consider to be an unconscionable, regressive tax. I think it is an example of people in a strong economic position of power taking advantage of taxpayers that are not in a strong position of power.

I am rather shocked on moral grounds, by the imposing of sales taxes on the necessities of life. I believe that people who are not able to pay taxes on necessities should be relieved of them; and there are many, many of them here in the District of Columbia from whom these taxes are being extorted, who, I believe, should be relieved of such taxes on the basis of moral grounds.

The PRESIDING OFFICER. The time yielded by the Senator from Oregon has expired.

Mr. MORSE. Mr. President, I yield myself an additional 5 minutes.

It is estimated that the proposed increase in the sales tax will bring a corresponding increase of $9 million in the District's revenue. What I recommend, however, is a five-point package embracing increases in two existing taxes, the addition of two new taxes which will fall only on those who can afford to pay them, and the repeal of the sales tax on groceries, to replace the increase in the general sales tax and at the same time replace the $9 million which the District sorely needs.

I have added to my package, I say for the benefit of the press representatives, another amendment which would bring the District of Columbia under coverage of the federally impacted area legislation, Public Law 874. This would entitle the District of Columbia to receive approximately an additional $5 million annually. Is there any sound reason why Bethesda, Md., and Arlington, Va., should be under Public Law 874, and not the District of Columbia?

I shall go into that amendment a little later, but I serve notice now that I am ready to debate the federally impacted areas issue today. Let the minority leader take note. I am ready today to proceed, on this bill, to pass the federally impacted areas legislation by adding the District of Columbia. This is the time to really draw the issue, by applying it to the District of Columbia for the benefit of the people in the District of Columbia, who ought to be eligible under the federally impacted areas legislation.

Why in the world should schools in Bethesda and Arlington receive the benefit of Public Law 874, but not those in the District of Columbia? Why should not the District of Columbia be treated as a State with respect to federally impacted areas legislation, exactly the same as Maryland and Virginia and other States?

The committee has recommended an increase in the tax on spirits and alcohol from $1.25 to $1.50 a gallon. This is expected to raise $1,100,000 annually. I would raise the tax on spirits and alcohol to $2 a gallon.

If there were ever an excise tax which could be considered based upon ability to pay, this is it. The District of Columbia has a shocking record of consuming more alcoholic beverages per capita than any city of its size in the country. It is a disgraceful consumption record for the District of Columbia. We ought to increase the tax on hard liquor in the District of Columbia. Thus I propose to increase it to $2 a gallon. I do not know of a more sound social recommendation that anyone could make.

After all, let us face up to the fact that hard liquor is one of the greatest social menaces facing this country. It is a shame that we are asked to impose an increased sales tax on shoes for the poor in the District of Columbia and not to increase the tax on liquor to at least $2 a gallon. That is how we can raise additional revenue—a tax on "booze" rather than a tax on boots. That is the source from which we should raise the money.

The experts tell me that such a tax would increase the revenues by an additional $2.5 million above the committee recommendation. This figure would indicate that the committee's estimate is a little low. The important factor, however, is that the tax increase would fall not upon those who have a difficult enough time buying their foods and their clothing, the necessities of life, but rather upon those who are well able to afford the luxury of a drink now and then. Oh, there may be some who point out that the District's poor buy more than their share of the spirits sold here. Even if this is true, if a choice must be made, I would rather make it more difficult for the poor man to purchase a drink that he does not need than to make it more difficult for him to buy a pair of shoes which his little girl does need.

When anyone talks to me about the amount of hard liquor the poor buy, I say we should take a look at the psychological escape mechanism involved. Perhaps if we give the people in the District of Columbia a little better standard of living and make it a bit easier to buy shoes for the little children, they would not take the psychological escape into consuming hard liquor.

Mr. President, I would make it more difficult for the people to buy booze but I would make it easier for them to buy boots.

I suggest that if one of the side effects of such a tax be the decrease in the consumption of hard liquor in the District of Columbia, that this will be to its credit and might, just possibly, cut down on some of the social costs which can be attributed to the consumption of intoxicants.

The amended bill increases the tax on cigarettes from 2 to 4 cents a package. This will furnish an estimated increase of $2.6 million a year. I would increase the tax to 5 cents a package and add an additional $1.3 million a year to the amount the committee has recommended. This would still leave the District's tax lower than Maryland's 6 cents a package.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table dealing with comparisons on cigarette taxes in this country, which points out the differences with respect to Maryland and other places.

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

Cigarette tax rates per pack of 20, District of Columbia and States

Tax rate and number of States	
None (3 States):	Colorado
	North Carolina
	Oregon
2 cents (2 States):	Arizona [1]
	District of Columbia
2.5 cents (1 State): Kentucky	
3 cents (5 States):	California
	Delaware
	Indiana
	New Hampshire
	Virginia
4 cents (8 States):	Hawaii [1,2]
	Illinois
	Iowa
	Kansas
	Nebraska
	Utah
	Wyoming
	Missouri
5 cents (10 States):	Connecticut
	Florida
	Georgia [1]
	Michigan
	New York
	Ohio
	South Carolina
	South Dakota
	Tennessee [1]
	Wisconsin
6 cents (11 States):	Alabama [1]
	Arkansas
	Idaho
	Maine
	Maryland
	Massachusetts
	Mississippi [1]
	North Dakota [1]
	Pennsylvania
	Rhode Island
	West Virginia
7 cents (6 States):	Minnesota [1]
	Nevada
	New Jersey
	Washington [1]
	Oklahoma [1]
	Vermont [1]
8 cents (5 States):	Alaska
	Louisiana [1]
	Montana
	New Mexico
	Texas [1]

See footnotes at end of table.

Cigarette tax rates per pack of 20, District of Columbia and States—Continued

[1] These States impose a tax on other tobacco products.
[2] Actual rate is 20 percent of wholesale sales price.

Source: Commerce Clearing House—State Tax Guide.

Mr. MORSE. Mr. President, 4 cents is not enough.

In spite of my tobacco friends in the Senate I think this would also have a great social benefit. They may say, "Oh, that would result in a decrease in consumption of cigarettes." I would say "Good; that will be fine for the health of the young people of the country, if that is the result."

I would rather increase the tax on cigarettes than to increase the tax on the necessities of life needed for the children of the poor families in the District of Columbia.

I do not wish to get into an argument at this point, although I shall be glad to on some other occasion, in respect to what the scientists tell us. I should like to have my colleagues go to the Cancer Research Institute at Bethesda, and go through the Institute and talk to the doctors there about this subject.

The PRESIDING OFFICER. The time of the Senator from Oregon has again expired.

Mr. MORSE. Mr. President, I yield myself another 5 minutes.

I should like to talk with the doctors and hear what they have to say about the cause-and-effect relationship as between cigarettes and cancer. In my judgment, enough evidence exists not only to establish a prima facie case but a strong presumption in regard to the cause and effect between cigarette smoking and certain types of cancer. Therefore I offer no apology for suggesting an increase in the cigarette tax to 5 cents a package.

The third part of the package I recommend is a 10-percent tax on parking fees. One of the significant costs of the District government is highway maintenance. I see no valid reason why parking lot owners should not pay a greater share of the tax burden. Of course the yield on such a tax is somewhat difficult to estimate. But I have received one estimate that in the central business district alone, that is in the area bounded by 2d and 23d Streets and Constitution and Massachusetts Avenues, a 10-percent tax on the fees paid for commercial spaces would yield about $1.2 million a year.

The final tax I would recommend is a tax on commercial rents that would be paid by individuals and organizations engaged in activities in the District but not effectively subject to the District of Columbia corporate tax—the tax on unincorporated business or the individual income tax. Although it would fall on nonprofit as well as profitmaking organizations, it would not be paid by any organization or person whose real property would be exempt from taxation under existing law if the property rented is used for purposes which would qualify it for exemption if owned rather than rented.

Among the organizations and individuals on whom the tax would fall are the following:

First. Lawyers, doctors, and members of other unincorporated trades or professions exempt from the income tax on unincorporated businesses who reside outside the District but conduct their affairs here.

Second. Trade and labor associations.

Third. Washington offices of business enterprises and other groups.

Fourth. A variety of organizations, mostly of a nonprofit character, which find it desirable to be located in Washington.

It is estimated that such a tax would raise $5 million a year. But in addition to raising substantial amounts of revenue, a tax of this kind will do a great deal toward eliminating some of the inequities in existing tax laws. For example, a printing shop, even though its operator may reside in the suburbs, pays a substantial property and income tax. Next door there may be a lawyer, a trade association, or the Washington office of a defense contractor paying no income tax. They make just as much use of the city's services, and a 10-percent tax on the amounts they pay as rent would be an effective way of requiring them to share the cost.

Summarizing the increases which can be expected from the first four points of the five-point program, we find that the increase to $2 a gallon on spirits and alcohol will yield $2.5 million; the increase to 5 cents a pack on cigarettes will yield $1.3 million; the 10-percent tax on parking fees, $1.2 million; and the tax on commercial rents, $5 million. In all, these proposals would yield $10 million a year, $1 million more than the proposed increase in the general sales tax would yield.

The last point of my five-point program is the repeal of the present 1-percent sales tax on food purchased for home consumption in the District. I introduced S. 1744, a bill to repeal the sales tax on groceries, in this session of Congress. The amendment I propose is identical to S. 1744. As much as I am opposed to the sales tax principle, I am even more opposed to a sales tax on food. The price of the tax is too high in terms of human values to be tolerated for one moment longer than it takes to repeal it. The District of Columbia Finance Office informs me that it collects approximately $2,250,000 annually from the sales tax on food.

The secret of successful taxation is to impose taxes on those to whom it will be least burdensome. Each of the taxes I propose seems to me to meet that test. The increased general sales tax they would replace most certainly does not.

I now come to the additional amendment which I drafted this morning.

The District of Columbia differs from the surrounding metropolitan area, so far as school revenues are concerned, in that the Virginia and Maryland counties immediately adjacent receive Federal funds under Public Law 874.

These payments are made because of the number of children who are federally connected, that is to say children whose parents either live or work on Federal property or both.

Certainly if there is any geographical area in the United States which is impacted with federally connected children, it is the Capital of our country. The Federal Government is by far the largest single employer in the District of Columbia. If my memory is correct over one-third of all gainfully employed individuals in the District of Columbia are employed by Uncle Sam.

Equity alone would seem to cry out that Washington, D.C., should be given the very same Federal benefits as are available to every other major or minor city or town in the Nation which can qualify under the provisions of Public Law 874.

It may be objected that to include the District of Columbia under Public Law 874 would be a meaningless gesture since the Federal payment to the District now made under existing laws would have to be deducted from payments made under Public Law 874. This would be a very sound argument if its premise were true. However, I am advised by the Department of Health, Education, and Welfare that the opinion of the Department is that the Federal payment to the District is not of the category which would have to be offset. Let me quote a pertinent paragraph from a memorandum I received on this point:

Public Law 874 requires there be deducted from gross entitlement computed for a school district any Federal payment made to the district with respect to Federal property and available for school purposes during that year. The Federal payment made to the District of Columbia each year is based on a number of considerations, but is not allocated to specific functions or purposes. A review of the legislative history of the annual Federal payment to the District of Columbia leads to the conclusion that any amount of this Federal payment that may be allocated to current operating expenses of schools, on any proportionate basis or otherwise, would not be deductible from the gross entitlement computed for the District of Columbia under terms of the act as currently in effect. Consequently, it appears that there would be no deduction from the estimated gross entitlement.

How much would be received by the District if my amendment were to be adopted? An estimate of the Department of Health, Education, and Welfare has been prepared and it indicates that approximately $5 million annually could become available. This amount, in my judgment, would go far to offset the regressive tax proposals contained in the committee-reported bill. I therefore strongly recommend to my good friend and chairman of the District Committee, that he accept my amendment in lieu of the sales tax provisions of the committee bill. In order to document further my case, I ask unanimous consent that there be printed at this point in my remarks materials which are to be found on pages 1318 through 1320 of part 2 of the hearings before the Subcommittee on Education of the Committee on Labor and Public Welfare entitled "Public School Assistance Act of 1961." The material consists of a statement regarding financing of school programs in Arlington County, Va., and includes a table entitled "Information Regarding Number of Federally Connected Children in and Federal Payments Under Public Law 874 to Arlington County, Va."

Mr. President, I further request unanimous consent to insert other testimony excerpted from the same hearings record given by witnesses testifying on behalf of an extension of Public Law 874.

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

STATEMENT RE TESTIMONY OF ROBERT B. WALKER AND DOROTHY S. McDIARMID, OF FAIRFAX COUNTY, VA.

The facts presented in the testimony of Robert B. Walker, assistant superintendent of schools and Dorothy S. McDiarmid, member of the General Assembly of Virginia, regarding the expansion of school population in Fairfax County since 1950 and concerning the crucial importance of the Federal financial assistance provided under Public Law 874 and Public Law 815 in meeting the educational problems in the county occasioned by this expansion are not challenged. Fairfax County, Va., has been one of the fastest growing counties in the United States. Much of this growth may be attributed to its location adjacent to the Nation's Capital.

It can hardly be said, however, that Fairfax County is typical of the 3,861 school districts which received assistance under Public Law 874 in 1959–60. Fairfax County has, according to the testimony, some 51 percent of its school attendance federally connected and 14 percent of its current operating expense budget from Federal payments. This compares with the average for all applicant school districts in the Nation of 15 percent of their children federally connected and 5 percent of their current operating expenditures derived from Federal payments. Attached hereto is a study of the distribution of applicant school districts in 1959 by percentage of their current expenditures derived from Public Law 874 payments. This study indicates that for 2,365, or 62.9 percent of the 3,761 school districts eligible in that year, the Federal payment under Public Law 874 was less than 5 percent of their current operating expense budgets. In only 383, or 10.2 percent of the school districts, did the Federal payments constitute as large a proportion of the current operating expenditures as in the case of Fairfax County, Va.

The 1960 application of Fairfax County under Public Law 874 shows the following data:

Two hundred and sixty-two children in average daily attendance in the "A" category; 4,720 children in the "B" category; total federally connected 25,500 or 50.3 percent of the total average daily attendance in a county of 50,751. The payments to the county were based on $246.94 as the local contribution rate times the "A" category children plus one-half of the "B" category children or $3,187,008. The school district revenues of $16,592,728 consisted of $4,208,199 or 25.4 percent from State sources, $9,197,521 or 55.4 percent from local sources, and $3,187,008 or 19.2 percent from Federal sources. The expenditure per pupil in average daily attendance from State sources was $82.92 and from local sources was $181.22.

These data would indicate that payment at the rate of 50 percent of the local contribution rate for the "B" category children resulted in an amount per pupil of $123.47 which is 68 percent of the county expenditure per pupil from local revenue sources. Had the rate been that proposed in S. 1021, title II, in that year, or $61.73 per pupil for "B" category pupils, it would have constituted 34 percent of the county's expenditure per pupil from local revenue sources.

We note in the testimony an estimate made by the county department of assessments that Federal property within the county would yield $5,872,500 per year at current assessed valuations and at current county tax rates. We understand that this estimate is as of January 1, 1960. Since 64 percent of the county budget is devoted to support of public schools, the school portion of the $5,872,500 estimated yield would be $3,758,400. It may be noted that in 1960 the county's entitlement under Public Law 874 was $3,187,008, and under Public Law 815 was $2,319,456, or a total of $5,506,464.

TABLE 125.—*Number and percent of eligible applicants in fiscal year 1959 by proportion of Federal payments (Public Law 874) to total current expenditures of the applicant district*

Percent Federal payments (Public Law 874) of total current expenditures	Number of districts	Percent of districts
Total	3,761	100
Less than 5 percent	2,365	62.9
5 to 9 percent	734	19.5
10 to 14 percent	279	7.4
15 to 19 percent	140	3.7
20 to 24 percent	58	1.5
25 to 29 percent	55	1.5
30 to 39 percent	58	1.5
40 to 49 percent	28	.75
50 to 59 percent	19	.5
60 to 69 percent	13	.4
70 to 79 percent	6	.2
80 to 89 percent	2	.05
90 to 100 percent	4	.1

STATEMENT REGARDING FINANCING OF SCHOOL PROGRAMS IN ARLINGTON COUNTY, VA.

The purpose of this statement is to present factual information regarding the portion of the Arlington County operating budget each year that comes from Public Law 874. This information in the attached table presents actual data by year from the 1956 through the 1960 fiscal years and estimated data for the 1961 fiscal year. It will be seen from this table that more than half of all schoolchildren attending Arlington County public schools each year are federally connected for the purposes of Public Law 874. This proportion ranges from a low of 53 percent to a high of 57 percent federally connected during the 5 years. This table also shows that the per pupil cost in Arlington County public schools has risen gradually from $389 per child in 1956 to an estimated $506 in 1961. State funds have provided from 16 to 18 percent of the total operating costs each year, and local funds have provided between 67 and 68 percent. Federal funds have provided between 14 and 16 percent of the budget each year ranging from a high of 16.1 percent in 1958 down to 14.4 percent in 1961.

The table shows one other significant fact. The local contribution rate paid under Public Law 874 for "A" category children has increased from $207 in 1956 to $265 in 1961. During the same period, local funds have provided $265 per child in 1956 increasing up to $340 per child in 1961.

TABLE 126.—*Information regarding number of federally connected children in and Federal payments under Public Law 874 to Arlington County, Va.*

Item	Fiscal year				
	1956–57	1957–58	1958–59	1959–60	1960–61 (estimated)
Average daily attendance:					
Total	20,918	21,330	21,646	22,030	23,624
Federally connected children [1]	12,047	12,103	12,049	11,996	12,596
Percent Federal ADA of total	57.6	56.7	55.7	54.5	53.3
Current operating expenses:					
Total	$8,137,179	$8,699,781	$9,529,685	$10,595,910	$11,956,521
State funds	1,332,762	1,432,281	1,702,874	1,929,876	2,209,335
Federal funds [2]	1,250,298	1,400,257	1,432,115	1,523,028	1,700,000
Local funds	5,554,119	5,867,243	6,394,696	7,143,006	8,047,186
Percent of total expenses	100.0	100.0	100.0	100.0	100.0
State funds	16.4	16.5	17.9	18.2	18.5
Federal funds [2]	15.4	16.1	15.0	14.4	14.2
Local funds	68.2	67.4	67.1	67.4	67.3
Cost per child:					
Total	$389.00	$407.87	$440.25	$480.98	$506.12
State funds	63.71	67.15	78.67	87.60	93.52
Local funds	265.52	275.07	295.42	324.24	340.64
Rate per child paid under Public Law 874 for 3(a) category [3]	207.57	231.39	234.85	250.21	265.98
½ paid for 3(b) category	103.79	115.70	117.43	125.11	132.99

[1] Less than 2 percent of these are "A" category children in any year.
[2] Paid under Public Law 874.
[3] Local contribution rate paid per child in average daily attendance for children residing on Federal property with a parent employed on Federal property (sec. 3(a) category). ½ this local contribution rate paid per child in average daily attendance for those either residing on, or residing with, parent employed on Federal property (sec. 3(b) category).

I point out that 900,000 children in New York City are receiving the benefit of payments under the Federal program of aid to impacted areas. Under Public Law 874, the Federal aid to impacted areas for a part of the cost of operation and maintenance of public schools in one school district of New York City covers 900,000 children in average daily attendance. Yet we are not willing to grant similar assistance to the children in the Capital City of the Nation.

I ask unanimous consent that the testimony on pages 717–720 of the hearings alluded to earlier, which bear out my amendment, be printed at this point in my remarks.

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

STATEMENT OF FREDERICK SHORE, ADMINISTRATIVE ASSISTANT, EAST MEADOW PUBLIC SCHOOLS, NASSAU COUNTY, LONG ISLAND, N.Y.

Mr. SHORE. May I read it, please?

Senator GOLDWATER. Certainly.

Mr. SHORE. Senator, I am Frederick Shore, administrative assistant to the superintendent of schools of the East Meadow School District, Nassau County, Long Island, N.Y. I am also representing the federally impacted school districts of New York State.

I greatly appreciate this opportunity to present our views to this committee and to urge the extension of the present provisions of Public Law 874, 81st Congress.

There are many of my colleagues here, as you heard, who will be presenting other aspects of this matter tomorrow.

Last year, 161 New York school districts had an aggregate entitlement under Public Law 874 of approximately $4,800,000. Most of the payments were for the education of 25,242 children who were federally connected by reason of employment of parents on Federal tax-exempt properties—the section 3(b) children. The entitlement for such purposes was $3,781,000. New York school districts also provided publicly supported education for 2,809 section 3(a) children, those with residence and parental employment on Federal tax-exempt property.

The following is a summary of the effect of Public Law 874 provisions in New York State for fiscal 1960.

This summary shows there are 161 districts eligible for Public Law 874 entitlements out of 24 districts in the State that operate schools, including the city of New York. That is about 17 percent.

The Federal impact ADA under section 3 is 28,000-plus, and that represents approximately 1.1 percent of the 2.5 million children in ADA. However, it is interesting to note that almost 900,000 of that ADA is in New York City alone in one school district.

Therefore, it is a shade under 2 percent when we take into account that 1,600,000 are in the so-called upstate districts of our State.

The total entitlement was a little under $4,800,000, and that represented in those districts that are federally affected 2 percent of their current expenses of $230 million, and that is 17 percent of the total current expenses in the State of $1,349 million, including almost $½ billion for the city of New York.

Senator GOLDWATER. So that this can be kept in proper order, we will print your table at this point in the remarks.

Mr. SHORE. Thank you, Senator.

(The table referred to follows:)

TABLE 66.—*Summary of effects of Public Law 874, New York State, 1961*

Federally impacted school districts		Total New York State school districts	Percent
161 districts eligible for Public Law 874 entitlements		924 districts operating schools, including New York City	17.4
Sec. 3(a) ADA	2,809	Approximate total ADA 2,500,000	1.1
Sec. 3(b) ADA	25,242	(Including almost 900,000 ADA for New York City) (about 1,600,000 excluding New York City).	(1.8)
Federal ADA	28,051		
Sec. 3(a) entitlement	$752,807		
Sec. 3(b) entitlement	3,780,833		
Total	4,533,640		
Add additional net	[1] 256,339		
Total net entitlement	4,789,979		
Total current expenses $230,031,060 (net entitlement represents 2.1 percent of aggregate current expenses in these districts).		Total current expenses approximate $1,349,000,000	17.1
		(Including $446,000,000 for New York City) (about $903,000,000 excluding New York City).	(25.5)

[1] Consists of entitlement of $301,432 for 874 "sec. 4(a)" pupils, $2,496 for sec. 2 net entitlement, less deductible funds under sec. 3.

Mr. SHORE. When one looks at these aggregate figures, it is noted that the overall impact is not too large. However, the picture changes when individual districts are examined. In some districts, the federally connected children represent a little more than 3 percent of the total.

In many, the percentage is much more substantial.

In some districts the Public Law 874 paypayments represent a small tax rate equivalent, while in others the receipt of these moneys prevented a considerable tax rate increase.

My school district, East Meadow, is one of the latter. It is a residential community of 60,000 persons situated on Long Island, adjacent to the Mitchel Airbase and about 12 miles from the New York City line.

East Meadow is one of the rapid-growth districts that appeared on Long Island in the post-World War II period and which faced a tremendous increase during the Korean war with the consequent expansion of Federal defense activities in the 1950's.

We grew from a 2-school system educating about 1,000 elementary pupils to the largest district on Long Island and the eighth largest in New York State with a pupil enrollment of over 18,000 in 12 elementary and secondary schools.

For fiscal 1960, East Meadow's entitlement under Public Law 874 was $186,687, consisting of $119,591 for attendance of 475 section 3(a) children and $67,096 for 533 section 3(b) youngsters.

Our 3(a) children resided on 3 Federal housing projects containing 909 dwelling units:

Mitchel Manor, a 628-unit Wherry housing garden apartment project for Armed Forces personnel; Santini housing, consisting of 203 units, including a guesthouse and transient quarters on the Mitchel Airbase; a trailer village with 78 trailer sites on base property.

Their parents were stationed at 17 military installations in the general metropolitan area as well as being on active duty at a number of oversea bases or on board naval vessels.

The 3(b) youngsters had parents employed on 38 federally owned, tax-exempt properties in New York. In the past 10 years we have noted employment or military assignment on 83 different Federal properties or installations, all tax exempt.

This Public Law 874 entitlement represents a tax-rate equivalent of almost 23 cents per $100 of assessed valuation and was equivalent to 2.5 percent of our current expenditures of $7,480,000, for the last school year.

Our tax rate is presently 4.07 per $100 for school purposes alone on an assessed valuation of $82.3 million. Last year, real property was determined to be assessed at 38 percent of true value in our town.

As previously indicated, the major portion of Federal payment was for the attendance of residents on Federal tax-exempt property in our district. Thus, the United States made direct payments for the education of these children which were, in effect, payments in lieu of taxes.

The remaining moneys were for the education of children who were federally connected by reasons of parental employment. These payments recognized the Federal responsibility involved in the education of children whose parents are employed on Federal tax-exempt property.

While it is true that in the latter case property taxes are derived from the residences of these families, the valuation per child is insufficient to meet their proper share of educational costs. Thus there must be an increase in the local tax rate to produce more dollars on a shrinking base. Furthermore, as additional siblings in these residences reach school age, no additional taxable valuation can be anticipated which leads to a further tax rate increase.

What has occurred in our school district and many others is that we are bedroom communities for large numbers of federally connected personnel.

The Federal Government has affected or impacted these school districts and should continue to bear its share of the financing costs of maintenance and operation of schools when this occurs.

The Congress, for the past decade, has declared it to be the policy of the United States to recognize its responsibility "to provide financial assistance for those local educational agencies upon which the United States has placed financial burdens by reason of the fact that * * * that such agencies provide education for children residing on Federal property; or such agencies provide education for children whose parents are employed on Federal property; or there has been a sudden and substantial increase in school attendance as the result of Federal activities."

We respectfully urge this committee to continue this policy and to provide the same provisions of law as now exist for these purposes.

We also request that sufficient appropriations be made available to meet the full entitlements of the federally affected school districts.

Without these Federal payments, constantly rising school taxes would have risen even higher and the real estate tax burden on the small homeowner, which is very great now, would have been even heavier.

This is no time to reduce the funds available to these school districts. Proposals for changes in the provisions of Public Law 874 payments for section 3(b) children would result in a decrease of about $2 million for New York State school districts. East Meadow's loss would be about $35,000; something we cannot afford to lose.

Neither is this a time to make eligibility requirements more stringent. For many years now, the determination of eligibility has provided for an equitable level of initial eligibility.

Congress has also given recognition to the problems brought about by changes in the impact problem and has provided for a taper in the payments when changes took place and eligibility could no longer be established at the 3-percent level. Proposed changes would eliminate a great many districts from eligibility. Yet, the children are still federally connected and they are still in school.

Your support and favorable action is sought in order that we may continue to provide the proper educational program which our children need and deserve, and without having our local property taxpayers assume the additional costs which are a Federal responsibility. Thank you, sir.

Senator GOLDWATER. Thank you very much, Mr. Shore, and I want to add my apologies to those of the chairman for having kept you here so long.

Mr. SHORE. That is all right.

Senator GOLDWATER. But you find, when Senators testify, they utilize the privilege of speech just as they do on the floor.

Mr. SHORE. I appreciate this a great deal.

Mr. MORSE. Mr. President, I now read from the Department of Health, Education, and Welfare memorandum I quoted earlier, the basis used to determine the estimated amount of Federal entitlement for the District of Columbia in the 1962 fiscal year if brought under the provisions of Public Laws 815 and 874.

Public Law 874 authorizes any applicant school district to count for Federal entitlement those children who live on Federal property with a parent employed on Federal property, and those children who either live on Federal property or live with a parent employed on Federal property, but not both. Since the District of Columbia has not been included in the provisions of Public Laws 874 or 815, there is no recent data available to the Office to indicate the percentage of children in the District's public elementary and secondary schools who meet either of the two conditions described in the previous sentence. In the six jurisdictions in the Washington, D.C., metropolitan area, 42 percent of all public school children were classed as federally connected children in 1960. In the four northern Virginia school districts, 50 percent were federally connected, and the proportion in Prince Georges and Montgomery Counties was 37 percent. It is believed that the same ratio would hold true for the District of Columbia as for the entire metropolitan area.

Subsection (d) of section 3, Public Law 874, specifies the method for computing the "local contribution rate" for applicant school districts in each State, which is the amount paid per child for "A" category children. One-half the local contribution rate is paid for "B" category children. The basic method of computing the local contribution rate is the expenditure per child from local revenue sources in comparable communities in the same State in the second preceding year. However, no school district has to take a lower contribution rate than one-half of the State average cost per child, or one-half of the national average cost per child, both in the second preceding year.

This subsection further specifies that the Commissioner determine the local contribution rate in any State in which there is one local educational agency, which is the case in the District of Columbia, in accordance with policies and principles which will, in his judgment, best effectuate the purposes of this act and most nearly approximate the policies and principles provided herein for determining local contribution rates in other States.

In view of the circumstances in the District of Columbia and the fact that there are no comparable local educational agencies to the District, it is extremely difficult in the time available to determine the basis on which the Commissioner would determine the rate of payment per child in the district. However, it appears that in view of all the circumstances, the rate that would be established for the District of Columbia to best effectuate the policies and principle of the statute would be one-half of the State cost per child in the second preceding year. This alternative minimum is higher than one-half the national average cost per child, which is the other alternative minimum.

DETAILS OF THE ESTIMATE

In fiscal year 1960, the year on which the local contribution rate is determined for payments for the 1962 fiscal year, there were 105,801 children in average daily attendance in the District of Columbia public schools, and the total current operating expense budget was $44,102,211. This gives a per capita cost of $416.84. One-half of this per capita cost is $208.42, which would be the rate of payment for "A" category children if one-half the State average were used as the local contribution rate. Although there are a small number of "A" category children in the District of Columbia, for the purpose of this estimate, entitlement has been computed at the "B" category rate for all eligible children, which would be one-half of the local contribution rate, or $104.21 per child.

The estimated average daily attendance for the 1962 fiscal year in the District of Columbia public schools, as reported to the Office of Education, is estimated to be 113,500. This number, multiplied by the estimate of 42 percent federally connected children, gives an estimate of 47,670 federally connected children for the purpose of computing Federal entitlement. The estimated number of federally connected children multiplied by the rate of $104.21 per child equals $4,967,690 entitlement rounded to $5 million for the purpose of this estimate.

Public Law 874 requires there be deducted from gross entitlement computed for a school district any Federal payment made to the district with respect to Federal property and available for school purposes during that year. The Federal payment made to the District of Columbia each year is based on a number of considerations, but is not allocated to specific functions or purposes. A review of the legislative history of the annual

Federal payment to the District of Columbia leads to the conclusion that any amount of this Federal payment that may be allocated to current operating expenses of schools, on any proportionate basis or otherwise, would not be deductible from the gross entitlement computed for the District of Columbia under terms of the act as currently in effect. Consequently, it appears that there would be no deduction from the estimated gross entitlement:

Estimated entitlement for the District of Columbia for the 1962 fiscal year if brought under the provisions of Public Law 874: $5 million.

PUBLIC LAW 815

It appears that the District of Columbia could not qualify for assistance under Public Law 815 in fiscal year 1962 because there would not be sufficient increase in the number of federally connected children to equal the required percentages.

Mr. President, to document further the basis of the payment of benefits under Public Law 874, I turn to pages 565 through 569, of the Public School Assistance Act of 1961 to a letter and attachments I received under date of March 20, 1961, from that great and dedicated friend of education legislation, the distinguished Senator from Montana [Mr. METCALF].

I ask unanimous consent that the correspondence be printed at this point in my remarks.

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

U.S. SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
March 20, 1961.

Senator WAYNE MORSE,
Chairman, Subcommittee on Education, Senate Labor and Public Welfare Committee, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Following is the statement I promised to furnish following Senator DIRKSEN'S and my colloquy before the subcommittee on Monday, March 16.

In support of my contention that Federal impact funds are not in lieu of taxes but are based on the needs of students in affected school districts, I cite first this statement which appears in the introduction (p. 1) to the Sixth Annual Report of the Commissioner of Education on Administration of Public Laws 874 and 815:

"Instead of a straight payment in lieu of taxes on the property itself in the jurisdiction where it is situated, the payment under Public Law 874 is calculated on the basis of that part of the local share of the cost of educational services normally borne by a property tax on places of residence or places of employment. Under Public Law 815, the payment is in terms of a grant to the school district of the Federal share of the cost of providing school facilities for children residing on or with parents employed on tax-exempt Federal property. This Federal share is computed in relation to the State average per pupil cost of constructing school facilities."

I promised to cite specific examples, in connection with the Glasgow Air Force Base and Northern Cheyenne Indian Reservation in Montana, which show the relationship of the payment to educational needs rather than taxes replaced.

The Glasgow Airbase in Valley County contains 4,520 acres. Of these 3,917 acres were obtained from State lands and 603 acres were purchased from private owners. These 603 acres paid $87.85 taxes in the year 1957–58. Valley County school officials advise me the payment would be at the same rate were the lands still privately owned.

These formerly private lands are comparable in value to the former State lands which form the remainder of the airbase. Had the entire 4,520 acres been taxed at the rate which applied and still applies for the 603 acres, the taxes received annually would be $658.87.

Total school enrollment in Valley County in May of 1957 was 1,333 students. There were 54 teachers. As of March 14, 1961, there were 2,676 students, 120 teachers, plus an enlarged administrative staff. Thus the school operations (and costs) have more than doubled. The county superintendent of schools, Mrs. Ruth Putz, says "with very little exception the airbase has caused this change."

Mr. William C. Greer, superintendent of schools, district No. 1, Glasgow, reports that percentagewise, in the period from the 1957 school year to the 1960–61 school year, pupil increase has been 200 percent, operational increase 202.7 percent, operational increase as represented in teacher salary 56 percent.

However, he states the loss in taxable value represented by those 603 acres has been 0.01 percent.

A total of $1,553,643 under Public Law 815 and $720,808 under Public Law 874 has gone into Valley County. Most of this Federal payment stems from the Glasgow Airbase, whose lands when taxed, I repeat, brought the county $87.85 a year.

In fiscal 1959, Valley County schools included 85 children whose parents or parent lived and worked on the base and 294 children of airbase personnel who lived off base.

In fiscal 1960 the number of children rose respectively to 281 children in category "A" and 370 children in category "B."

In fiscal 1960 more than $250,000 went into Valley County schools under Public Law 874. Well over half that amount relates to the Glasgow Airbase. But if only half the annual payment were related to the airbase, that $125,000 would be more than 1,400 times greater than the taxes previously paid on lands now part of the base.

Or, to put it another way, each year the Federal Government grants that $87.85, formerly raised by taxes, several times over, for each of several hundred children.

I hope the details I have cited on this particular question make clear to all that Public Laws 815 and 874 relate to the cost of educating children, that they are not in lieu payments.

On the Northern Cheyenne Reservation, 89 percent of the land is in trust status, and subsequently no taxes are paid on it. Much of the land in this area, as on many Indian reservations, is poor and unproductive, worth less than that in Valley County. Under Public Law 815, $629,178 in Federal money has been spent in the Lame Deer and Ashland School Districts in this area. Under Public Law 874, the Federal Government contributed $36,446 to these two school districts in 1959, and $50,709 in 1960.

On March 17, 1961, Valley County Superintendent of Schools Ruth Putz wrote me a letter describing the history and criteria of Federal impact appropriations in that area. I ask that it be printed as part of my presentation, and I commend to all this enlightening letter from a fine teacher and administrator.

Sincerely yours,

LEE METCALF.

———

VALLEY COUNTY,
Glasgow, Mont., March 17, 1961.

Hon. LEE METCALF,
Old Senate Building,
Washington, D.C.

DEAR SENATOR METCALF: A day message sent you on Tuesday, March 14, 1961, gave you statistical information regarding school district No. 1, Valley County, Glasgow, Mont.

Are these payments under Public Law 874 "in lieu of taxes?" Does "in lieu of" mean that certain lands were once privately owned and taxed, and then taken by the Federal Government to public use, and now the Federal Government under Public Law 874 is compensating for this loss? Or does "in lieu of taxes" mean that there was, nor is, any existing tax base to lose and because public education depends upon such a base for taxes, Public Law 874 is given to the district "in lieu of" any property upon which to base a tax to support education for children, in other words "impact."

Five of Valley County's thirteen operating school districts receive Federal aid for maintenance and operation of public schools under the provisions of Public Law 874, and likewise all five have or are now receiving construction aid under Public Law 815. Let me sketch for you a brief narrative of three of these districts which will review the history and philosophy of Federal Government in giving aid for public education.

(a) Frazer—Fort Peck Indian Reservation.

(b) Fort Peck—Project Missouri River at Fort Peck (Fort Peck Dam).

(c) Glasgow—Glasgow Air Force Base.

FRAZER—FORT PECK INDIAN RESERVATION

Frazer School District No. 2 is presently receiving aid under Public Law 874 after transferring from Johnson-O'Malley 3 years ago.

History shows us that the first President of the United States recognized the need for education of the Indian children and made this an obligation of the Federal Government by treaties. Such treaties were made with all Indian tribes and when Montana became a State, we accepted this obligation for education of native Americans in our enabling act. From 1934 until 1958, Indian education was financed under the provisions of the Johnson-O'Malley Act. We are now under Public Law 874 in district No. 2, Frazer.

Was this "money in lieu of taxes" under definition 1 or 2?

"Lands which are occupied by a tribe or tribes of Indians have always been regarded as not within the jurisdiction of the State for purposes of State property taxation." The tribes have been regarded as distinct political communities. Therefore we never lost any land from taxation (definition 1 cannot apply), but we need funds for education of children for which according to our philosophy, we have a civil, as well as a moral obligation.

FORT PECK DISTRICT NO. 21, VALLEY COUNTY—MISSOURI RIVER AT FORT PECK

The Fort Peck Dam started construction in 1933. The townsite of Fort Peck lies in school district No. 21, Valley County, but the powerhouse lies across the Missouri River and in fact in another county (McCone).

The project[1] consists of 610,036 acres associated with it. Of this 422,069 acres were public domain, and 20,263 acres in river bed and flow, and only 167,704 acres were purchased. Of the lands purchased only 36,217.26 acres lay in Valley County, the remainder in Garfield, McCone, Phillips, Petroleum, and Fergus Counties. Specifically, school district No. 21 lost 8,880 acres or 86 percent of its land. It was operating a 1-room rural school with an enrollment in 1932 of 12, 1933 of 7, 1934 of 30, 1935 of 332 aside from a Federal Government school which had an enrollment of 258. (See exhibit A, col. A.) Likewise, the impact of elementary school children had overflowed into the adjoining districts Nos. 6 and 20.

[1] Information courtesy of Don Beckman, Corps of Engineers, Fort Peck.

(See cols. B and C of exhibit A and for location of same see map exhibit B.) Remember this was 1932–37 and while everyone was happy to have a job, the schools had a terrific pupil-teacher load and no means of finance. (I was a "dam" teacher, you know.) There was no Federal aid and no taxable property to support education.

Finally in 1946, Wesley D'Ewart, Republican, introduced a bill in the House which became Public Law 586 which made an appropriation to the Corps of Engineers at Fort Peck to be used for education of the public school children whose parents were employed on the Fort Peck project and who resided at Fort Peck. No mention was made to "in lieu of." It was a recognition of a responsibility for education due to a Government-directed order.

Then in about 1952, after the Federal Government had built more dams, projects, etc., a general policy for any school district federally impacted was adopted and Federal funds for impacted areas was established and administered through the Office of Education under provisions of Public Law 874. Today, Fort Peck School District No. 21 receives financial aid under Public Law 874.

If this was money in lieu of tax property lost, then the other counties of McCone, Garfield, etc., should likewise be compensated by the Federal Government.

GLASGOW SCHOOL DISTRICT NO. 1, VALLEY COUNTY, MONT.

As stated in our other correspondence the present Glasgow Air Force Base contains 4,520 acres. Three thousand nine hundred and seventeen acres was State land (not subject to tax). The loss in acres to school district No. 1, is 603 acres or 0.019095 percent. However, the impact of students is immense:

	1957 (May)	1961	Percent increase
Enrollment	1,333	2,626	200
Teachers	54	[1] 120	56
Operational costs			202

[1] Plus administrative staff.

Payment in lieu of taxes on property lost (0.019095 percent) could never compensate for the impact of enrollment of 200 gain.

Do we need Federal aid to replace money lost by seizure of property by Federal Government, or do we need Federal aid to compensate for the increased burden of education placed upon a district by reason of a Federal installation?

The criteria set forth for entitlement under Public Law 874 takes into account (a) local effort and (b) eligible pupils in terms of residence and employment.

If Federal reimbursement is to be made on "in lieu of" the basis of actual acres lost to taxation because of a Federal installation—

(1) Frazer School District No. 2 would have no entitlement since no acres were lost.

(2) Fort Peck School District No. 21 should receive 86 percent of what the land would earn in taxation to support a school population of 99.4-percent 3(a) pupils.

(3) Glasgow School District No. 1 should receive 0.019095 percent.

The loss of acreage is not the important aspect. The increase in school population with its allied increase in maintenance, operational, and construction costs is of prime importance.

Respectfully submitted.

RUTH PUTZ
Mrs. Wayne Putz, Sr.,
County Superintendent, Valley County Schools.

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
March 24, 1961.

Senator WAYNE MORSE,
Chairman, Subcommittee on Education, New Senate Office Building, Washington, D.C.

DEAR SENATOR MORSE: Please make the attached March 19 letter and enclosures from Harry H. Cloke part of my response to your and Senator DIRKSEN's request, when I testified on Monday, March 13, for documentation of the statement that Public Laws 815 and 874 are directly related to the costs of education, rather than local taxes.

I previously sent you my letter and a supporting letter from Superintendent Ruth Putz.

Sincerely,

LEE METCALF.

LAME DEER PUBLIC SCHOOL,
Lame Deer, Mont., March 19, 1961.

Senator LEE METCALF,
Senate Office Building, Washington, D.C.

DEAR SENATOR METCALF: As a school administrator for many years in federally affected areas I can most emphatically assure you that Public Law 815 and Public Law 874 funds are most directly related to the cost of education and not a mere means of payment in lieu of taxes. It is most imperative to state that these funds are honorably intended to educate children not to reduce taxes.

It is lamentably shortsighted for anyone to consider the vital funds of Public Law 815 and Public Law 874 as a mere meeting of a moral obligation by the Federal Government. The enclosures give most irrefutable proof of my thesis that Federal funds are solely directed to the educating of children and not to the mere reduction of taxes. (It seems essential to emphasize this.)

Columns 7 and 8 of exhibits A and B show the local contribution rate and the per capita cost of five school districts comparable in this instance to Lame Deer. It is noted that our local contribution rate is $216.61 while our per capita cost is $473.05. Our Public Law 874 money is used in its entirety for a percentage portion of the cost of operating and maintaining our public school whose students are 95-percent Northern Cheyenne Indians.

Sincerely,

HARRY H. CLOKE,
Principal, Lame Deer Public Schools.

TABLE 42.—*Tables relating to local contribution rate under Public Law 815 and Public Law 874, Montana school districts*

EXHIBIT A

TABLE 6.—*Comparable district data for school districts individually selected as comparable to applicant district*

(To be completed in full by sec. 3 and sec. 4 applicants unless: (1) State has group rates or (2) application is made under subsec. 3(c)(1) only and applicant elects to have local contribution rate based on minimum rate, requested in table 4, item 1)

Montana-60-E-506

LAME DEER NO. 6, ROSEBUD COUNTY

Names of 5 comparable school districts and county in which located	ADA	Revenue receipts for current expense purposes: From local sources only	Revenue receipts for current expense purposes: From all sources	Current expenses paid from local sources only (exclusive of debt service and capital outlay expenditures excluded by Public Law 874)	Total current expenses (exclusive of debt service and capital outlay expenditures excluded by Public Law 874)	Local contribution rate (col. 5 divided by col. 2)	Per capita cost (col. 6 divided by col. 2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Total for all districts in State	124,051	$33,803,202	$49,861,901	$33,801,383	$49,861,901	$272.48	$401.95
2. Names of comparable school districts (data for 1956–57):							
Roosevelt County, Bainville, No. 64	148.2	52,582	72,180	48,014	65,908	323.98	444.72
Bonner, No. 14, Missoula County	225.0	71,658	99,641	75,658	105,198	336.26	467.55
Swan Valley, No. 33, Missoula County	34.7	12,918	22,044	13,154	22,447	379.08	646.89
Froid, No. 65, Roosevelt County	135.7	55,795	70,439	54,945	69,367	404.70	511.18
Greenfield, No. 75, Teton County	109.0	31,350	47,899	33,134	50,625	303.98	464.45
3. Comparable districts: Aggregate for cols. 2 to 6; quotient for cols. 7 and 8, Lame	652.6	224,303	312,203	224,905	313,545	344.63	480.50
4. Applicant district (1956–57), Lame Deer, No. 6	180.4	30,097	65,722	39,077	85,339	216.61	473.50

HARRY H. CLOKE,
Principal, Authorized Representative.
K. F. BERGAN,
State Director of Public Law 874.

TABLE 7.—*Information relating to school districts entered in table 6 for fiscal year 1957–58*

(To be completed in full by sec. 3 and sec. 4 applicants unless: (1) State has group rates or (2) application is made under subsec. 3(c)(1) only and applicant elects to have local contribution rate based on minimum rate, requested in table 4, item 1)

LAME DEER NO. 6, ROSEBUD COUNTY ELEMENTARY

Montana-60-E-506

School districts	Legal classification	Type of community (urban, suburban, or rural)	Grade levels maintained	Percent of pupils transported	Pupil-teacher ratio	Assessed taxable valuation		School tax rate for current expenses only (mills per $1)	Total tax rate for all school purposes (mills per $1)
						Total for school purposes	Percent of true value		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. Bainville, No. 64, Roosevelt County	3d	Rural	1 to 8	49.38	23 to 1	1,177,556	30.7	38.82	38.82
2. Bonner, No. 14, Missoula County	2d	do	do	None	20 to 1	1,445,020	30.2	53.44	66.82
3. Swan Valley, No. 33, Missoula	3d	do	do	100.00	13 to 1	163,396	27.9	63.22	65.85
4. Froid, No. 65, Roosevelt	2d	do	do	46.58	19 to 1	775,640	26.5	53.35	53.35
5. Greenfield, No. 75, Teton County	3d	do	do	91.73	22 to 1	312,423	24.6	45.76	50.04
6. Applicant:									
Lame Deer a. 1957–58	do	do	do	11.16	20 to 1	77,444	24.6	26.57	26.57
Lame Deer b. 1959–60	do	do	do	11.16	do	98,014	28.3	30.00	30.00

EXHIBIT B

TABLE 6.—*Comparable district data for school districts individually selected as comparable to applicant district*

(To be completed in full by sec. 3 and sec. 4 applicants unless: (1) State has group rates or (2) application is made under subsec. 3(c)(1) only and applicant elects to have local contribution rate based on minimum rate, requested in table 4, item 1)

BABB NO. 8 ELEMENTARY, GLACIER COUNTY

No. 102-874 (1960-61)

Names of 5 comparable school districts and county in which located	ADA	Revenue receipts for current expense purposes		Current expenses paid from local sources only (exclusive of debt service and capital outlay expenditures excluded by Public Law 874)	Total current expenses (exclusive of debt service and capital outlay expenditures excluded by Public Law 874)	Local contribution rate (col. 5 divided by col. 2)	Per capita cost (col. 6 divided by col. 2)
		From local sources only	From all sources				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Total for all districts in the State	128,785	$35,530,164	$53,287,708	$34,116,039	$51,148,485	$264.91	$397.16
2. Names of comparable school districts (data for 1958–59):							
Boyd No. 28, Carbon	35.7	11,708	16,870	10,415	15,007	291.74	420.36
Winkler No. 28, Glacier	27.8	16,580	21,610	15,070	19,643	542.09	706.58
Hellgate No. 4, Missoula	63.5	17,463	26,123	15,432	23,085	243.02	363.54
Heron No. 3, Sanders	45.7	16,261	22,930	16,909	23,846	370.00	521.79
Logan No. 1, Gallatin	42.9	11,972	18,467	10,807	16,679	251.91	388.79
3. Comparable districts: Aggregate, cols. 2 to 6; quotient, cols. 7 and 8	215.6	73,984	106,000	68,633	98,260	318.33	455.75
4. Applicant district (1958–59): Babb No. 8, Glacier	47.7	14,934	26,552	16,970	30,174	355.77	632.57

TABLE 7.—*Information relating to school districts entered in table 6 for fiscal year 1958–59*

(To be completed in full by sec. 3 and sec. 4 applicants unless: (1) State has group rates or (2) application is made under subsec. 3(c)(1) only and applicant elects to have local contribution rate based on minimum rate, requested in table 4, item 1)

BABB NO. 8 ELEMENTARY, GLACIER COUNTY

No. 102-874 (1960-61)

School districts	Legal classification	Type of community (urban, suburban, or rural)	Grade levels maintained	Percent of pupils transported	Pupil-teacher ratio	Assessed taxable valuation		School tax rate for current expenses only (mills per $1)	Total tax rate for all school purposes (mills per $1)
						Total for school purposes	Percent of true value		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Boyd	3d	Rural	1 to 8		13 to 1	$230,861	28.82	33.00	33.00
Winkler	do	do	do		10 to 1	709,194	46.06	20.20	33.52
Hellgate	do	do	do		19 to 1	1,353,174	29.32	21.87	25.40
Heron	do	do	do		15 to 1	258,457	31.06	44.59	52.81
Logan	do	do	do		16 to 1	727,095	36.41	23.05	23.05
Applicant:									
Babb a. 1958–59	do	do	do		17 to 1	338,969	27.55	31.22	35.78
Babb b. 1960–61	do	do	do		do				

EXHIBIT C

TABLE 6.—*Comparable district data for school districts individually selected as comparable to applicant district*

(To be completed in full by sec. 3 and sec. 4 applicants unless: (1) State has group rates or (2) application is made under subsec. 3(c)(1) only and applicant elects to have local contribution rate based on minimum rate, requested in table 4, item 1)

Names of 5 comparable school districts and county in which located	ADA	Revenue receipts for current expense purposes		Current expenses paid from local sources only (exclusive of debt service and capital outlay expenditures excluded by Public Law 874)	Total current expenses (exclusive of debt service and capital outlay expenditures excluded by Public Law 874)	Local contribution rate (col. 5 divided by col. 2)	Per capita cost (col. 6 divided by col. 2)
		From local sources only	From all sources				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Total for all districts in State	128,785	$35,530,164	$53,287,708	$32,116,039	$51,148,485	$264.91	$397.16
2. Names of comparable school districts (data for 1958-59):							
Logan No. 1, Gallatin County	42.9	11,972	18,467	10,807	16,679	251.91	388.79
Swan Valley No. 33, Missoula County	41.6	10,520	25,520	9,567	23,221	229.98	558.20
Herris No. 3, Sanders County	45.7	16,261	22,930	16,909	23,846	370.00	521.79
Lonepine No. 12, Sanders County	44.3	16,587	26,565	13,972	22,377	315.40	505.12
Frazer No. 2, Valley County	124.0	30,215	55,994	30,405	56,347	245.20	454.41
3. Comparable districts: Aggregate cols. 2-6; quotient, cols. 7 and 8	298.5	85,555	148,458	81,660	142,470	273.57	477.29
4. Applicant district (1958-59)	65.5	17,566	25,789	25,278	37,119	385.92	566.70

TABLE 7.—*Information relating to school districts entered in table 6 for fiscal years 1958–59*

(To be completed in full by sec. 3 and sec. 4 applicants unless: (1) State has group rates or (2) application is made under subsec. 3(c)(1) only and applicant elects to have local contribution rate based on minimum rate, requested in table 4, item 1)

School districts	Legal classification	Type of community (urban, suburban, or rural)	Grade levels maintained	Pupil-teacher ratio	Assessed valuation		School tax rate for current expenses only (mills per $1)	Total tax rate for all school purposes (mills per $1)
					Total for school purposes	Percent of true value		
(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)
1. Logan No. 1, Gallatin	3	Rural	L-1-8	16-1	$727,095	36.41	23.05	23.05
2. Swan Valley, Missoula	3	do	1-8	20-1	169,881	25.03	52.31	62.94
3. Heron, Sanders County	3	do	1-8	17-1	258,457	31.06	44.59	52.81
4. Lonepine No. 2, Sanders	3	do	1-8	6-1	207,625	27.34	53.16	53.16
5. Frazer No. 2, Valley	3	do	1-8	21-1	483,998	25.29	46.37	46.37
6. East Glacier No. 50 [1]	3	do	1-8	21-1	656,538	33.16	37.88	37.88
East Glacier No. 50 [2]	3	do	1-8	21-1	----------	----------	27.60	27.60

[1] 1958-59.
[2] 1960-61.

Mr. MORSE. Mr. President, how much time have I left?

Mr. DIRKSEN. The Senator has not any.

The PRESIDING OFFICER. The Senator from Oregon is speaking on time yielded by the minority leader.

Mr. MORSE. We have an hour and a half available.

Mr. DIRKSEN. But I have control of the time.

Mr. MORSE. I ask the Senator from Illinois how much time he has remaining.

Mr. DIRKSEN. I will ask the Chair.

The PRESIDING OFFICER. The Senator from Nevada has 11 minutes remaining. The Senator from Illinois has 18 minutes remaining.

Mr. MORSE. I beg the Senator from Illinois to yield to the Senator from Wisconsin [Mr. PROXMIRE]. I should like to reserve some time to explain my amendments.

Mr. DIRKSEN. I shall be most charitable.

I yield 10 minutes to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I enthusiastically support the statement of the Senator from Oregon. I support his amendments. I hope the Senate will agree to them.

I wish to discuss the sales tax increase which has been recommended by the District Committee. I recognize that substantial additional revenues are needed in the District of Columbia.

I think the Senator from Oregon has offered alternative methods of securing the revenues. In fact, his amendments would raise more revenue than the sales tax would raise.

As I believe was brought out in my colloquy with the distinguished Senator from Nevada [Mr. BIBLE] who is chairman of the committee, the present taxes in the District of Columbia, including all taxes, income, real property, personal property, sales, auto tax, and so forth, are roughly proportionate to income in middle income brackets. If income ranges between $5,000 and $15,000, according to a table introduced by District of Columbia Commissioner Tobriner in the record on page 22 of the hearings, District of Columbia taxes are 5.8 percent of income for a man making $5,000 a year and about 5.8 percent for a man making $15,000 a year. However, it seems to me that the concept that should be grasped in imposing taxation is that people with a small income use a very large proportion of that income to buy the bare necessities of life.

A man with a $5,000 income must spend perhaps $4,000 to provide a bare minimum of food, shelter, clothing, and all the other essentials for his family and himself in the District. This means that he has only about $1,000 left for recreation and everything else that he wants to spend money on. I believe that this is a fair and proper and realistic concept. If the proposed tax measure is adopted it will mean that a man with a $5,000 income must pay 23 percent of the money he has available above the bare essentials of life; with a $7,500, it would be 12 percent; with a $10,000 income, about 9 percent; with a $15,000 income, about 8 percent. In other words, applying this concept the District of Columbia tax is highly regressive.

Of course, a man with an income of less than $5,000 is hit cruelly by this kind of tax system, because it means that if he has an income of $2,500 or $3,000—and many families in the District have that low an income—he will simply not be able to buy the bare necessities of life, and will very possibly be pushed over the edge onto relief.

The fact is that virtually all taxes are taxes on income. However, a sales tax is a tax on income which is spent. It is not a tax on income which is saved. It is a tax on income which is spent within the taxing area.

I submit that a man with a small income who cannot travel and certainly cannot save much will have to pay a far higher proportion of his income in sales taxes than a man who can save a part of his income. That is why a sales tax is regressive.

The District of Columbia, by increasing its sales tax, encourages Maryland and Virginia to increase their sales taxes. As the chairman of the Committee on the District of Columbia has admitted in the colloquy with me, the fact is Virginia has no sales tax. Maryland has a 3-percent sales tax. However, that Maryland sales tax exempts food. The District of Columbia puts a 1-percent tax on food. This will mean that the sales tax in the District will be more burdensome and more regressive than the sales tax in the surrounding areas.

It seems to me that the real argument here should be that the alternative obviously beckoning to the District Committee is to increase the income tax. The income tax in the District of Columbia is a maximum of 5 percent. But that rate is not reached until income goes up to $25,000, so that the overwhelming majority of high income people pay a lower rate tax. It does not go higher. In Virginia the income tax is 5 percent on all income over $5,000. In Wisconsin it goes up to 10 percent. In Oregon it is about 10 percent. Many other States are trying to have a progressive tax system. Yet in the Capital of the Nation we find a regressive tax system, with a maximum income tax at $25,000 of 5 percent. It puts the surrounding States in the position where they are forced to adopt the same kind of regressivity because of the competition of business and so forth.

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

Mr. PROXMIRE. I have only a few minutes, but I will yield quickly to the Senator from Florida.

Mr. HOLLAND. Does not the Senator think that the imposition of a sales tax will allow the millions of people who visit here each year as tourists from other parts of the country to make a contribution to the expense of the government in the District of Columbia which they could not do in any other way?

Mr. PROXMIRE. I am delighted that the Senator has asked me that question. The people who visit the District of Columbia are taxpayers who contribute to the District of Columbia in the Federal payment that is made to the District. It seems to me that to impose additional taxes upon these people, who bring their children to visit the District of Columbia—and they should be encouraged to do so—is a very serious mistake. I oppose it on that ground, too.

I wish to conclude by saying that the disparity in income in the District of Columbia is obvious to anyone with eyes to see. One cannot drive around the city without finding area after area in which people have to live in the most dilapidated and dirty conditions. Slums here are among the worst anywhere.

Housing is very poor. Obviously the income of a very high proportion of the residents of the District of Columbia who are colored is very low. These are the people who will have to pay more in taxes because of the sales tax. On the other hand, statistics show that the per capita income in the District of Columbia is higher than in any other State except Delaware. This means that we should certainly, if we have any regard for progressivity, insist on an income tax which is at least comparable to that in most of the other States.

The President of the United States has called for an alliance of progress, which is a fine name for our South American aid program. The great weakness in many South American countries is that they do in those countries what is being done in the District of Columbia, namely, that the burden of the taxes is imposed upon those who are least able to pay. If any area of the country should set an example for these countries, it is the District of Columbia, the Capital of the Nation.

The money is needed. The District should have it. I feel very strongly that Washington, D.C., should be the model for the country and the model for the world.

When the District of Columbia recommends a series of tax increases, every one of which is regressive, and does not touch the District income tax, which is far lower than in other areas of the country, being only 5 percent, it seems to me that the District is not living up to the ideals of the administration or the progressive ideals of our Nation.

I yield back the remainder of my time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORSE. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 36, between lines 20 and 21, insert the following:

TITLE IX—AMENDMENT OF PUBLIC LAW 874, EIGHTY-FIRST CONGRESS, TO INCLUDE THE DISTRICT OF COLUMBIA

SEC. 901. Section 9(8) of the Act of September 30, 1950 (20 U.S.C. 244(8)) is amended by inserting "the District of Columbia," after "Guam,".

On page 36, line 21 and following, redesignate title IX as title X and redesignate the sections in such title accordingly.

On page 37, line 14, before the period insert a comma and "other than title IX".

Mr. MORSE. The amendment provides that the District of Columbia shall come under Public Law 874. The Department of Health, Education, and Welfare has assured us that the law can apply to the District of Columbia if we adopt an amendment.

The amendment contains technical provisions however to make certain that the District authorities will not determine what is covered. I ask the chairman if he will agree to take the amendment to conference. It is a sound amendment.

Mr. BIBLE. What the Senator from Oregon has said during his very able discussion of the revenue problem of the District of Columbia is very impressive, and has impressed me a great deal today.

There is a question here about the impacted areas bill not having included the District of Columbia. I am frank to say that this was not completely discussed by our committee. It seems to me, however, if it is good for Bethesda, as the Senator has pointed out, and good for New York City—and I know it is good for the State of Nevada—perhaps it is good also for the District of Columbia.

I do not know all the ramifications. The only thing that concerned me was that it might possibly mean that this amount will be taken off the Federal payment. The Senator from Oregon seems to think and made the statement in his preliminary remarks that this would not happen.

Mr. MORSE. I have read into the RECORD a memorandum which indicates that that would not happen.

Mr. BIBLE. I am perfectly willing to take the amendment to conference. It has considerable merit. I am happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. MORSE. Mr. President, I send the next amendment to the desk. It is an amendment to increase the tax on hard liquor from $1.50 to $2 a gallon. As the chairman knows, the committee felt there was a great deal of merit to the amendment. There is a chance here to impose a tax on the basis of ability to pay.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, line 14, strike out "$1.50" and insert "$2.00". On page 10, line 16, strike out "$1.50" and insert "$2.00".

Mr. MORSE. It would be better to have a tax on booze than on boots.

Mr. BIBLE. Mr. President, in this area the Senator from Oregon makes a rather impressive case. By way of comparison, the State of Maryland imposes a tax of $2.50 per gallon on alcohol and $1.50 per gallon on spirits. The figure proposed by the committee was the best judgment of the committee. We arrived at a figure of $1.50 per gallon for both alcohol and spirits. However, I am not adverse to accepting the figure of $2 a gallon on spirits and alcohol. I am perfectly willing to take the amendment to conference and attempt to hold it in conference.

Mr. MORSE. I appreciate the Senator's statement. I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. MORSE. Mr. President, I offer an amendment to increase the tax on each package of cigarettes to 5 cents. I think it would be in the public interest as well as in the interest of increasing the tax revenues of the District of Columbia on the basis of ability to pay rather than to tax the necessities of life.

As the Senator from Nevada knows, the State of Maryland imposes a higher tax on cigarettes. I think a tax of 5 cents a package is a reasonable compromise. I beseech and urge the chairman of my committee to accept the amendment.

Mr. LAUSCHE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. LAUSCHE. If we keep increasing these taxes, will we not ultimately be producing an amount far more than is requested? Does the Senator from Oregon propose a reduction of the tax on some items?

Mr. MORSE. My last amendment will propose some reduction in the amount of revenue to be raised.

The PRESIDING OFFICER. The amendment of the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 7, line 13, it is proposed to strike out "4 cents" and insert in lieu thereof "5 cents."

Mr. BIBLE. Mr. President, this question was discussed at length in the full committee. There was some feeling that the tax should be 4 cents, some feeling that it should be 5 cents, and some feeling that it should be 6 cents a package. The tax in Maryland is 6 cents a package; in the Commonwealth of Virginia it is 3 cents a package. This proposal, again, involves a question of judgment. The committee was fairly well divided as to whether the tax should be 4 cents or 5 cents. I am willing to accept the amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. MORSE. Mr. President, I offer the next amendment which I send to the desk. I have not been so persuasive with the chairman with respect to increasing the tax on parking facilities. I think the operators of such facilities are getting away with a tax that is too low.

The PRESIDING OFFICER. Does the Senator from Oregon desire to have his amendment read?

Mr. MORSE. Not in its entirety; just the title. I ask that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be printed.

The amendment is as follows:

On page 36, after line 20, insert the following new title:

"TITLE IX—TAX ON AMOUNTS PAID FOR PARKING OF MOTOR VEHICLES

"SEC. 901. TAX ON PARKING FEES.

"(a) IMPOSITION OF TAX.—There is hereby imposed on amounts paid for parking any motor vehicle in any commercial parking facility in the District of Columbia a tax equal to 10 percent of the amounts so paid.

"(b) FRACTIONAL PARTS OF CENTS.—If the amount of tax imposed under subsection (a) includes a fractional part of a cent—

"(1) such fractional part shall be disregarded if it is less than ½ cent, and

"(2) the tax imposed shall be increased to the next higher whole cent if such fractional part is ½ cent or more.

"(c) BY WHOM PAID.—The tax imposed by subsection (a) shall be returned and paid by the person receiving the amount paid for parking.

"SEC. 902. DEFINITIONS.

"For purposes of this title—

"(1) COMMERCIAL PARKING FACILITY.—The term 'commercial parking facility' means any premises used for the parking of motor vehicles if a charge is made, directly or indirectly, for the parking of any motor vehicle thereon, except that such term does not include—

"(A) any such facility which has a maximum capacity for parking less than five motor vehicles of average size, or

"(B) any such facility if the maximum charge for parking a motor vehicle thereon does not exceed a rate of 25 cents per day.

"(2) COMMISSIONERS.—The term 'Commissioners' means the Commissioners of the District of Columbia.

"SEC. 903. EXCEPTIONS.

"(a) TRUCKS AND BUSES.—The tax imposed by section 901 shall not apply to amounts paid for parking—

"(1) any truck or truck trailer or semitrailer, or

"(2) any motor vehicle which has a passenger seating capacity of ten or more adult passengers, including the driver.

"(b) GOVERNMENT-OWNED MOTOR VEHICLES.—The tax imposed by section 901 shall not apply to amounts paid for parking any motor vehicle owned by the United States, the District of Columbia, or any State, or any agency or instrumentality of any of the foregoing, if—

"(1) such motor vehicle may be used only in the official business of the Government which owns such motor vehicle, or

"(2) an occupant of such motor vehicle is engaged in official business during the time that such motor vehicle is parked.

"(c) PARKING METERS.—The tax imposed by section 901 shall not apply to any amount paid for parking if the amount paid is deposited in a parking meter maintained by the District of Columbia.

"SEC. 904. AMOUNTS PAID WHICH INCLUDE AMOUNTS PAID FOR PARKING.

"(a) PARKING PRIVILEGES INCLUDED AT NO ADDITIONAL CHARGE.—In any case in which a lease of property (other than property used by the lessee as his personal residence) confers on the lessee a privilege to park one or more motor vehicles in a commercial parking facility without additional charge, the amounts paid under such leases shall be considered to include an amount paid for parking such motor vehicle or vehicles within the meaning of section 901. The amount so considered to be paid shall be an amount, determined under regulations prescribed by the Commissioners, equal to the amount by which the payments for the property leased exceed payments for the lease of comparable property which does not confer any parking privileges on the lessee.

"(b) PARKING PRIVILEGES INCLUDED UPON PAYMENT OF HIGHER RENTAL.—In any case in which a lease of property (other than property used by the lessee as his personal residence) confers on the lessee a privilege to park one or more motor vehicles in a commercial parking facility for a stipulated additional rental, the amount so stipulated shall be considered an amount paid for parking such motor vehicle or vehicles within the meaning of section 901.

"SEC. 905. ADMINISTRATIVE PROVISIONS.

"The provisions of section 126 and of sections 129 through 152 of the District of Columbia Sales Tax Act, as amended (63 Stat. 115, 117–124; D.C. Code § 47–2603 and § 47–2606–§ 47–2629), shall, under regulations prescribed by the Commissioners, apply with respect to the tax imposed by section 901.

"SEC. 906. SHORT TITLE.

"This title may be cited as the 'District of Columbia Parking Tax Act'.

"SEC. 907. EFFECTIVE DATE.

"The tax imposed by section 901 shall apply only with respect to amounts paid on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act for the parking of motor vehicles on or after such first day.

"Renumber title IX, and sections 901, 902, 903, and 904, to be title X, and sections 1001, 1002, 1003, and 1004, respectively."

Mr. BIBLE. Mr. President, I must resist this amendment. It has not had the full consideration of the committee. It concerns a new area of taxation and requires further study. It may have merit, but I hope the Senator from Oregon will not press the amendment, but will give the Subcommittees on Fiscal Affairs of both the Senate and the House an opportunity to explore it further.

Mr. MORSE. I think it is a fair tax. The need for it is so obvious that hearings are not needed. The operators of parking facilities are not paying enough taxes. They have the ability to pay.

Mr. President, I ask for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was rejected.

Mr. MORSE. Mr. President, I offer the next amendment which I send to the desk.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. BIBLE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Nevada has 10 minutes remaining.

Mr. BIBLE. I yield 3 minutes to the distinguished senior Senator from Oregon.

Mr. MORSE. The Senator from Nevada is gracious.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 36, after line 20, insert a new title 9, as follows:

TITLE IX—TAX ON AMOUNTS PAID AS RENTS FOR NONRESIDENTIAL PROPERTY

SEC. 901. TAX ON RENTS FOR REAL PROPERTY.

(a) IMPOSITION OF TAX.—There is hereby imposed on amounts paid as rent for any real property situated in the District of Columbia a tax equal to 10 percent of the amounts so paid.

(b) TAX APPLICABLE ONLY TO AMOUNTS PAID FOR RIGHT OF OCCUPANCY.—If any lease of real property confers on the lessee any rights or privileges in addition to the right to occupy the real property leased and to services or facilities furnished in connection therewith, the tax imposed by subsection (a) shall apply only to that portion of the amounts paid as rent under such lease as is attributable to the right to occupy the real property leased and to such services or facilities. The portion of the amounts paid so attributable shall be determined under regulations prescribed by the Commissioners.

(c) SUBLEASES.—If the amount paid as rent is paid by a lessee who has subleased the rented property to a sublessee, or is paid by any subsequent sublessor of such property, the tax imposed by subsection (a) shall apply only to that portion (if any) of the amount paid as exceeds the amount paid as rent for such property by his sublessee.

(d) BY WHOM PAID.—The tax imposed by subsection (a) shall be returned and paid by the person paying the rent.

(e) DEFINITION.—For purposes of this title, the term "Commissioners" means the Commissioners of the District of Columbia.

SEC. 902. EXCEPTIONS.

(a) PERSONAL RESIDENCES.—The tax imposed by section 901 shall not apply to amounts paid as rent for any real property used solely as a personal residence. In any case in which real property is used both as a personal residence and for any other purpose or purposes, the tax imposed by section 901 shall apply only to that portion of the amounts paid as rent as is attributable to such other purpose or purposes. The amount so attributable shall be determined under regulations prescribed by the Commissioners.

(b) UNIMPROVED PROPERTY.—The tax imposed by section 901 shall not apply to amounts paid as rent for unimproved real property.

(c) RENTS PAID BY THE UNITED STATES, THE DISTRICT OF COLUMBIA, ET CETERA.—The tax imposed by section 901 shall not apply to amounts paid as rent by the United States or the District of Columbia, or by any government, organization, or person specified in section 1 of the Act entitled "An Act to define real property exempt from taxation in the District of Columbia", approved December 24, 1942, as amended (56 Stat. 1089; D.C. Code § 47-801a), if the property rented is used for purposes which would entitle such property to be exempt from taxation under such section if it were owned by such government, organization, or person.

SEC. 903. CREDITS FOR TAX PAID.

(a) CORPORATIONS.—Title VII of the District of Columbia Income and Franchise Tax Act of 1947, as amended (61 Stat. 345; D.C. Code § 47-1571—§ 47-1571a), is amended by adding at the end thereof the following new section:

"SEC. 3. CREDIT FOR TAX PAID ON RENT.—There shall be allowed as a credit against the tax imposed by section 2 of this title for any taxable year an amount equal to the amount of tax paid or accrued by the taxpayer during such taxable year under section 901 of the District of Columbia Rent Tax Act. The amount of tax paid or accrued under such section shall not be taken into account in computing the taxable income (as defined in section 1 of this title) of the taxpayer."

(b) UNINCORPORATED BUSINESSES.—Title VIII of the District of Columbia Income and Franchise Tax Act of 1947, as amended (D.C. Code § 47-1574—§ 47-1574e), is amended by adding at the end thereof the following new section.

"SEC. 7. CREDIT FOR TAX PAID ON RENT.—There shall be allowed as a credit against the tax imposed by section 3 of this title for any taxable year an amount equal to the amount of tax paid or accrued by the taxpayer during such taxable year under section 901 of the District of Columbia Rent Tax Act. The amount of tax paid or accrued under such section shall not be taken into account in computing the taxable income (as defined in section 2 of this title) of the taxpayer."

SEC. 904. COLLECTION; ADMINISTRATIVE PROVISIONS.

(a) RETURNS AND PAYMENTS.—Returns of the tax imposed by section 901 shall be made at such times, but not more often than once during each calendar quarter, as may be required by regulations prescribed by the Commissioners. The tax shall be paid at the time of making the return.

(b) INFORMATION BY LESSORS.—Every person owning real property situated in the District of Columbia which is leased to any other person, and every person leasing or subleasing real property situated in the District of Columbia who subleases such property to any other person, shall furnish at such times and in such manner as may be required by regulations prescribed by the Commissioners—

(1) the name of the person or persons to whom such property is leased or subleased;

(2) the amount of rents payable under the lease or sublease; and

(3) such other relevant information as may be required by regulations prescribed by the Commissioners.

The provisions of this subsection shall not apply with respect to property used solely as a personal residence or to unimproved property.

(c) ADMINISTRATION PROVISIONS.—Except to the extent inconsistent with the provisions of this title, the provisions of sections 217, 220, 221, and 223 of the District of Columbia Use Tax Act, as amended (63 Stat. 127-128; D.C. Code § 47-2707, 47-2710, 47-2711, and 47-2713), including the provisions of the District of Columbia Sales Tax Act made applicable by such sections, shall, under regulations prescribed by the Commissioners, apply with respect to the tax imposed by section 901.

SEC. 905. SHORT TITLE.—This title may be cited as the "District of Columbia Rent Tax Act".

SEC. 906. EFFECTIVE DATE.—The tax imposed by section 901 shall apply only with respect to amounts paid on or after the date of the enactment of this Act for rents becoming due and payable on or after the first day of the first month which begins more than 60 days after the date of the enactment of this Act.

Renumber title IX, and sections 901, 902, 903, and 904, to be title X, and sections 1001, 1002, 1003, and 1004, respectively.

Mr. MORSE. Mr. President, the only purpose of the amendment is to tax the fellow who makes his money in the District of Columbia but lives outside the District. It imposes a tax on commercial rents that would be paid by individuals and organizations engaged in activities in the District but not effectively subject to the District of Columbia corporate tax—the tax on unincorporated businesses, or, the individual income tax. He ought to be required to pay such a tax. If he makes his living here, he ought to be required to pay a tax. I urge that the amendment be agreed to.

Mr. BIBLE. Mr. President, the amendment was considered by the committee. It has some appeal, but it raises some problems. I hope it will be possible for the committee to consider it in another year. I am opposed to this particular amendment offered by the Senator from Oregon.

Mr. MORSE. Mr. President, I ask for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was rejected.

Mr. MORSE. Mr. President, I call the attention of the Senator from New York to my next proposal, to my plea for the elimination of the sales tax on groceries. It is offered as an amendment to the bill. I simply do not think a 1-percent tax can be justified on the food which poor people have to take into their mouths in order to live in the District of Columbia. I think the tax ought to be repealed. My amendment proposes to repeal it.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 114(a)(1) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47-2601) is amended to read as follows:

"(1) The sale for consumption of any meals, food, drink, or other tangible personal property for a consideration at any restaurant, hotel, drugstore, club, resort, or other place at which meals, food, drink, or other tangible personal property are sold."

SEC. 2. The proviso in section 125 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47-2602) is amended by striking out "the rate of tax with respect to sales of food for human consumption off the premises where such food is sold shall be 1 per centum of the gross receipts from such sales, and that".

SEC. 3. Section 127 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47-2604) is amended—

(a) by striking out, in subsection (a), the following: "other than sales of food for human consumption off the premises where such food is sold, and";

(b) by striking out subsection (b); and

(c) by redesignating subsection (c) as (b).

SEC. 4. Section 128(d) of the District of Columbia Sales Tax Act (D.C. Code, sec. 47-2605) is amended by inserting before paragraph (2) thereof a new paragraph as follows:

"(1) Sales of food for human consumption off the premises where such food is sold."

SEC. 5. Paragraph (5) of section 201(a) of the District of Columbia Use Tax Act (D.C. Code, sec. 47-2701) is repealed.

SEC. 6. Section 212 of the District of Columbia Use Tax Act (D.C. Code, sec. 47-2702) is amended by striking out ", except that the rate of tax with respect to sales of food for human consumption off the premises where such food is sold shall be 1 per centum of the sales price of such sales".

SEC. 7. This Act shall take effect on July 1, 1961.

Mr. JAVITS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. JAVITS. When I was a member of the Committee on the District of Columbia, I espoused this amendment. I am glad the Senator from Oregon has offered it. It is the general practice in communities which impose a sales tax to exempt food because a tax on food is regressive. I sincerely hope the chairman of the committee may see fit to accept the amendment and take it to conference, as he has done with respect to a number of other amendments which, with his usual distinction and force, the Senator from Oregon has offered.

Mr. MORSE. This was the bill of the Senator from New York in the 86th Congress. I cosponsored it with him then.

Mr. JAVITS. I thank the Senator from Oregon.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. BIBLE. Mr. President, I yield 2 additional minutes to the Senator from Oregon.

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

Mr. MORSE. I yield.

Mr. LAUSCHE. Will the tax still be applicable on food which is consumed in a public merchandising place—that is, restaurants?

Mr. MORSE. Unfortunately, yes.

Mr. PROXMIRE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. PROXMIRE. I enthusiastically support the amendment. While it will cause the loss of $2.4 million of revenue, more than twice as much will be gained by the impacted areas amendment, accepted by the chairman of the committee. If this amendment is adopted, there will still be more revenue than was provided in the bill to begin with.

Mr. MORSE. The Senator from Wisconsin is correct.

Mr. President, I am ready to vote.

Mr. BIBLE. Mr. President, I am opposed to the amendment. It is a difficult amendment to resist. Twenty-four of the 35 States impose a tax higher than is imposed in the District of Columbia. Thirty-five States of the Union have this type of tax.

Believe me, the District of Columbia needs revenue, even if the impacted areas amendment is successful, because we are premising the total amount of revenue on a $36 million Federal payment. The House has allowed, to date, $30 million. There is a $6 million differential. I hope the amendment will be rejected.

Mr. MORSE. Mr. President, on this amendment I ask for a division.

On a division, the amendment was rejected.

Mr. MORSE. Mr. President, I offer my last amendment, which simply strikes out the sales tax provision.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning on page 5, line 12, it is proposed to strike out all matter through line 5 of page 7.

Mr. MORSE. Mr. President, this amendment strikes out the increase in the sales tax.

Mr. BIBLE. Mr. President, again, regrettably, I must oppose this amendment. The amendment simply brings the District of Columbia tax into accord with that of the State of Maryland. I oppose the amendment and ask that the question be put.

Mr. MORSE. Mr. President, on this amendment, I ask for a division.

On a division, the amendment was rejected.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. How much time have I remaining?

The PRESIDING OFFICER. The Senator from Illinois has 3 minutes remaining; the Senator from Nevada has 4 minutes remaining.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the distinguished Senator from Ohio.

Mr. LAUSCHE. Mr. President, on page 48 of the hearings it is shown that the problem of the District of Columbia is mainly the result of the action of Congress in granting salary increases last year. I look back with a bit of comfort in remembering that I opposed a part of those salary increases. I think if we had been called upon to impose new taxes a year ago, when the salary increase bill was passed, we would not have been so liberal.

I should like to point out that the District of Columbia has 34 employees for every thousand population; Pittsburgh has 10 per thousand; Cincinnati has 12 per thousand; Cleveland has 12 per thousand.

It is quite bewildering, even recognizing that there are so many public services, to find that the District of Columbia has 34 employees per thousand. I venture to say—without having made a study of the matter—that that number is in excess of the needs.

Moreover, I should like to point out that the expenditure for personal services in the District of Columbia is $127 million; in Cleveland, $71 million; in Cincinnati, $44 million; in Buffalo, $49 million. Cities with larger populations have service expenditures 50 percent less than those in the District of Columbia.

The PRESIDING OFFICER. The time yielded to the Senator from Ohio has expired.

The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

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

The bill was read the third time.

Mr. MORSE. Mr. President——

Mr. BIBLE. Mr. President, I am happy to yield 1 minute to the Senator from Oregon.

Mr. MORSE. First, Mr. President, I wish to thank the chairman of the committee [Mr. BIBLE] for his cooperation in connection with this measure. It is typical of his leadership of the committee.

I hope the amendments which have been agreed to will be approved in the conference.

I cannot vote for the bill, because by the levying of a sales tax it imposes on the poor people of the District of Columbia. Nevertheless, I appreciate the help of the chairman of the committee in connection with the adoption of my amendments.

I wish to say that, in my judgment, the salary increase last year in the District of Columbia should have been larger. The trouble lies with Congress. Congress has not done its job; the Members of Congress have not served as good aldermen for the city of Washington.

What Congress should do is transfer to the free citizens of the District of Columbia their citizenship rights, and let them run the District of Columbia. Then Congress would not have to spend its time in dealing with what amount to city-council matters for the District of Columbia.

Mr. President, I shall not vote for the bill, because it is not good enough.

Mr. BIBLE. Mr. President, I wish to associate myself with the first remarks of the distinguished Senator from Oregon—who is a most helpful member of our committee—in reciting again that there should be self-government in the District of Columbia.

If the Senator from Ohio [Mr. LAUSCHE] will examine the record of the Appropriations Committee in connection with this matter, I believe he will find that very little waste or extravagance exists in the various District of Columbia departments, in connection with the performance of the various responsibilities with which the District of Columbia is charged. This is not an ordinary American city; it is more in the nature of a combination city and State—the Nation's Capital. Certainly it has unusual problems. Under the able leadership, on this side of the Hill, of the distinguished junior Senator from West Virginia [Mr. BYRD], I believe every effort is being made to remove the waste and the fat from the District of Columbia appropriation bill.

Of course, it costs money to run the government of the Nation's great Capital City, and it will continue to cost money. Those who provide the necessary services in the District of Columbia—for instance, the services provided by the Police Department—are repeatedly lost to Federal agencies which are able to pay higher salaries. One of the very large problems in connection with the District of Columbia is in connection with recruiting sufficient personnel for an adequate police force. That is most difficult, because it is impossible for the District of Columbia to pay high enough salaries to command the best possible police force members, whereas the District of Columbia should have the best police force both in the Nation and in the entire world.

Mr. LAUSCHE. Mr. President, will the Senator from Nevada yield?

Mr. BIBLE. I yield.

Mr. LAUSCHE. I believe the Senator from Nevada and I are talking along the same line. The Federal Government has established the salary schedule; and the District of Columbia loses its employees to the Federal Government agencies, because of the higher salaries paid by those agencies. The Federal Congress has fixed the salary schedule, and that is the source of the problem.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the schedules appearing in the hearings on page 11, under exhibits 1 and 2, and on page 12, under exhibit 3, showing the number of employees and the expenditures for personal services, as compared with those for other cities.

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

EXHIBIT NO. 1

City	Population, 1950	Population, 1960	Percent change in population	Number of city government employees per thousand population, 1950	Number of city government employees per thousand population, 1960	Number change
Milwaukee	637,392	734,788	+15.3	10.3	12.4	+2.1
Baltimore	949,708	921,363	−2.9	27.0	27.0	----------
Pittsburgh	676,806	600,327	−11.3	9.6	10.9	−1.3
Boston	801,344	677,626	−15.4	17.4	30.9	+2.5
Cincinnati	503,998	505,000	+.19	11.25	13.56	+2.31
Cleveland	914,808	869,867	−4.9	12.59	12.39	−.2
Buffalo	580,132	528,387	−8.9	15.56	17.34	+1.78
San Francisco	775,357	715,609	−7.7	25.54	29.93	+4.39
Houston	596,163	932,680	+56.4	6.3	9.1	+2.8
St. Louis	856,796	754,134	−11.9	9.3	12.5	+3.2
Minneapolis	521,718	482,872	−8.0	16.7	19.1	+2.4
New Orleans	570,445	627,525	+10.0	11.3	11.7	+.4
Washington	802,178	746,958	−6.9	24.9	34.5	+9.6

EXHIBIT No. 2

Changes in District of Columbia government personnel, by grade classifications, June 30, 1952, through June 30, 1960

Grade	Number of employees, June 30, 1952	Number of employees, June 30, 1960	Percent of change
1	421	44	−89.5
2	365	755	+106.8
3	982	1,312	+33.5
4	733	1,448	+97.5
5	1,092	1,122	+2.7
6	270	1,086	+302.2
7	522	1,207	+131.2
8	68	270	+297.0
9	268	622	+132.1
10	39	102	+179.4
11	161	351	+118.0
12	107	280	+161.7
13	70	188	+168.5
14	29	101	+248.2
15	19	54	+184.2
16	4	19	+375.0
17	3	6	+100.0
18	0	2	

Source: District of Columbia personnel office.

EXHIBIT No. 3

[In thousands of dollars]

City	Expenditure for personal services, fiscal 1951	Expenditure for personal services, fiscal 1959	Increase
Milwaukee	28,097	49,964	21,867
Baltimore	58,322	113,759	55,437
Pittsburgh	23,758	35,131	11,373
Boston	75,131	106,787	31,656
Cincinnati	22,843	44,126	21,283
Cleveland	55,012	71,740	16,728
Buffalo	31,649	49,821	18,172
San Francisco	51,811	85,818	34,007
Houston	13,531	33,537	20,006
St. Louis	33,968	54,717	20,749
Minneapolis	21,048	29,204	8,156
New Orleans	18,997	34,671	15,674
District of Columbia	65,387	127,725	62,338

Source: "Compendium of City Government Finances" (1951 and 1959 eds.), Bureau of Census, U.S. Department of Commerce.

Mr. LAUSCHE. I recognize the problem, Mr. President; and 2 years ago I opposed the salary increase at that time, in part because I knew it would result in this burden.

The PRESIDING OFFICER. The bill has been read the third time.

The question now is, Shall the bill pass?

The bill (H.R. 258) was passed.

The title was amended, so as to read: "An Act to amend the District of Columbia Sales Tax Act to increase the rate of tax imposed on certain gross receipts, to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942 to transfer certain parking fees and other moneys to the highway fund, to increase the annual Federal payment to the District of Columbia, and for other purposes."

Mr. MANSFIELD. Mr. President, I wish to extend my thanks to the distinguished chairman of the District of Columbia Committee, the Senator from Nevada [Mr. BIBLE], who has had an onerous job to perform. As always, he has done well.

My thanks go also to the Senator from Oregon [Mr. MORSE] and the Senator from Wisconsin [Mr. PROXMIRE], both of whom offered amendments and suggestions which in part made the bill better.

MIGRATORY WORKERS' HEALTH SERVICES AND CONDITIONS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 671, Senate bill 1130.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1130) to amend title III of the Public Health Services Act to authorize grants for improving domestic agricultural migratory workers' health services and conditions, which had been reported from the Committee on Labor and Public Welfare, with an amendment, at the top of page 2, to strike out:

GRANTS FOR IMPROVING DOMESTIC AGRICULTURAL MIGRATORY WORKERS' HEALTH SERVICES AND CONDITIONS

SEC. 310. (a) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1962, and for each fiscal year thereafter, such sums, not to exceed $3,000,000 for any year, as may be necessary to enable the Surgeon General (1) to make grants to public or other nonprofit agencies, institutions, and organizations for paying part of the cost of special projects to improve health services for and the health conditions of domestic agricultural migratory workers and their families, including training persons to provide health services for or otherwise improve the health conditions of such migratory workers and their families, and (2) to conduct studies, investigations, and demonstrations, to train Federal or other personnel for providing such services or otherwise improving such conditions, and to encourage and cooperate in intrastate or interstate programs, for the purpose of improving health services for or otherwise improving the health conditions of domestic agricultural migratory workers and their families.

(b) The Surgeon General is authorized to appoint an expert advisory committee to advise him in connection with the administration of this section, including the development of program policies and the review of grant applications.

And, in lieu thereof, to insert:

GRANTS FOR FAMILY HEALTH SERVICE CLINICS FOR DOMESTIC AGRICULTURAL MIGRATORY WORKERS

SEC. 310. (a) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1962, and for each fiscal year thereafter, such sums, not to exceed $3,000,000 for any year, as may be necessary to enable the Surgeon General (1) to make grants to public or other nonprofit agenices, institutions, and organizations for paying part of the cost of (i) establishing and operating family health service clinics for domestic agricultural migratory workers and their families, including training persons to provide services in the establishing and operation of such clinics, and (ii) special projects to improve health services for and the health conditions of domestic agricultural migratory workers and their families, including training persons to provide health services for or otherwise improve the health conditions of such migratory workers and their families, and (2) to encourage and cooperate in intrastate or interstate programs, for the purpose of improving health services for or otherwise improving the health conditions of domestic agricultural migratory workers and their families.

(b) The Surgeon General is authorized to appoint an expert advisory committee to advise him in connection with the administration of this section, including the development of program policies and the review of grant applications.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Public Health Service Act (42 U.S.C., chapter 6A, subchapter II) is amended by inserting at the end of part A thereof the following new section:

"GRANTS FOR FAMILY HEALTH SERVICE CLINICS FOR DOMESTIC AGRICULTURAL MIGRATORY WORKERS

"SEC. 310.(a) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1962, and for each fiscal year thereafter, such sums, not to exceed $3,000,000 for any year, as may be necessary to enable the Surgeon General (1) to make grants to public or other nonprofit agencies, institutions, and organizations for paying part of the cost of (i) establishing and operating family health service clinics for domestic agricultural migratory workers and their families, including training persons to provide services in the establishing and operation of such clinics, and (ii) special projects to improve health services for and the health conditions of domestic agricultural migratory workers and their families, including training persons to provide health services for or otherwise improve the health conditions of such migratory workers and their families, and (2) to encourage and cooperate in intrastate or interstate programs, for the purpose of improving health services for or otherwise improving the health conditions of domestic agricultural migratory workers and their families.

"(b) The Surgeon General is authorized to appoint an expert advisory committee to advise him in connection with the administration of this section, including the development of program policies and the review of grant applications."

The amendment was agreed to.

Mr. WILLIAMS of New Jersey obtained the floor.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. MANSFIELD. It is the intention of the leadership to take up this afternoon the pending business, Calendar No. 671, Senate bill 1130; and also Calendar No. 672, S. 1126; Calendar No. 673, S. 1123; Calendar No. 674, S. 1132; and Calendar No. 675, S. 1124.

It is my understanding that there is little in the way of opposition, if any, to Calendar No. 671, S. 1130, and Calendar No. 672, S. 1126.

Some Senators will want to comment on Calendar No. 673, S. 1123, and there will be some opposition to Calendar No. 674, S. 1132, and Calendar No. 675, S. 1124.

Therefore, I ask unanimous consent that when we come to consider Calendar No. 674, S. 1132, and Calendar No. 675, S. 1124, an hour be allotted to each proposal, that hour to be equally divided between the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Texas [Mr. TOWER].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WILLIAMS of New Jersey. Mr. President, the bill, S. 1130, deals with the health problems of our migratory farm families. Studies of the Subcommittee on Migratory Labor have shown this to be one of the most acute parts of the migratory labor problem existing today. It is also one of the most unnecessary parts of the problem, for the machinery and medical techniques needed to eliminate it exist in abundance.

Mr. President, in practical terms, the migrant families' health problem can be stated this way:

First, migrant families have less access to health care than other members of our population, although they generally have a greater need for health care; second, present efforts to meet their needs are inadequate; and third, in spite of several commendable starts and efforts, the States and local communities have not been able to cope with this severe problem alone.

Most of the preventive health measures in use throughout the Nation fail to reach migrant families. Serious health problems result, affecting both migrants and local residents alike. Such a problem occurred last winter in Hale County, Tex. In November, an epidemic of diphtheria started with seven cases in two migrant families. By mid-February, the disease had spread to more than 70 persons—43 of them local residents. Immunization—an inexpensive measure—could have prevented this epidemic. But because the migrant families had not been immunized, Hale County residents were exposed to a disease that is almost unknown in the United States today.

These health problems involve more, though, than just the personal pain and misery of the workers. They also produce serious fiscal pain for the public and private facilities that serve them. Unpaid hospital bills of migrant workers are a matter of growing concern for hospitals in farm areas. Year after year, these hospitals are faced with the necessity of providing emergency medical care for migrant patients. In the vast majority of cases the migrant has no means of paying his bill. In 1955, for example, the State of New York paid about $80,000 to its local communities for public assistance to migratory workers. Of this sum, more than $60,000 went for hospitalization.

The New York hospitals were extremely fortunate, though, in that they were partially reimbursed for this outlay. Many hospitals providing medical care for migrant workers have no way to recover these costs, and therefore must bear them alone.

This legislation would not, of course, provide payment for these hospital bills. Nonetheless, its provisions would have an indirect curtailing effect on such costs. By providing migratory farm families with simple preventive health care, the necessity for hospitalization could be significantly reduced.

The preventive health care to which I have referred, Mr. President, will be put into effect, at the local level, through the existing State-Federal public health facilities. The bill, S. 1130, which we have developed to deal with this problem, would support local efforts through Federal grants.

Specifically, the bill authorizes up to $3 million annually in Federal grants to stimulate State and local health programs in areas seriously affected by the seasonal impact of migratory farmworkers. The grants would be made by the Surgeon General of the U.S. Public Health Service. Local public or nonprofit organizations would use the grants for paying part of the cost of establishing and operating family health clinics and for special health projects to improve health services for the migratory farm family.

Mr. President, the legislation also authorizes the Surgeon General to encourage interstate and intrastate programs to improve the health conditions of migratory farmworkers and their families. An expert advisory committee could be appointed by the Surgeon General to assist him in the administration of the program. The programs under this bill would operate through local, State, and Federal health agencies in accordance with their existing successful pattern of relationships.

Primary responsibility for the planning and conduct of health projects would be at the local level. Federal project grants and technical assistance would be employed in conjunction with established community health services. The programs which could be provided under this bill are not limited to family clinics. Public health nurses could also be provided in those areas where there are not enough workers to justify a clinic. The public nurse being in the right place, at the right time, can be just as important as the family clinic. By treating illness in its early stage, it will frequently be possible to prevent it from becoming a serious hospital case. Where the illness does become serious, despite early treatment, the public nurse will be invaluable in referring the patient to an appropriate health organization with minimum effort and expense.

The Belle Glade project in Florida has proved that effective health care can be made available to migratory families and also that local communities find this both acceptable and desirable. The Belle Glade type project should be made available to migratory families throughout the Nation. Some States already recognize the need for these health projects, and are making new efforts to improve the health services for migratory families. California has recently made $75,000 available to counties and communities for implementing health programs for farmworkers. Full utilization of this program will, however, depend upon Federal assistance such as that provided under this bill.

Mr. President, the pending bill provides a practical, tried, and proved program for a problem that can no longer be ignored.

I therefore urge the Senate to adopt this program by the passage of S. 1130, the pending business.

Mr. JAVITS. Mr. President, I appreciate the fine explanation made of the bill by the chairman of the subcommittee, upon which I have had the honor to serve with the Senator from New Jersey [Mr. WILLIAMS].

I think, as we take up this series of bills, it may be well for us to understand the comprehensive character and the milestone which this measure represents in our discussion of the whole problem. The Senator from New Jersey [Mr. WILLIAMS] has made this subject a very important element of his congressional career. He has been widely hailed for his services in the migratory labor field, and I think very deservingly.

I think, as we are human first, it should first be noted that a very extraordinary job in a field which needed it to be done has been accomplished in respect of the investigations of the Subcommittee on Migratory Labor of the Committee on Labor and Public Welfare, which subcommittee is headed by the Senator from New Jersey [Mr. WILLIAMS], and of which I am the senior Republican member. Hearings have been held throughout the country. There has been an opportunity to air the conditions as a result of personal inspections on the ground which the Senator from New Jersey has made, with staff members of the committee. In all, I should say a more solid body of evidence to support the minimal body of legislation which is before us today has been made than I have seen made in any other province.

Mr. President, what is proposed to us today is elementary in its character. As the bills will develop, it will be seen the first involves the public health program. That is the bill before the Senate. Of course, this bill is not something we are doing for the migrant laborer. As the Senator from New Jersey [Mr. WILLIAMS] has so properly explained, the migrant laborer can be a health problem in an entire community.

The second bill relates to the registration of migrant labor contractors, or crew leaders, and will be a means of regulation of some of the worst excesses in this field. This concept was developed in the preceding administration under Secretary of Labor Mitchell. I introduced a bill at that time. The bill was reported but never received action by the Senate.

This bill, happily, will be before the Senate, following the train of events set in action by Secretary of Labor Mitchell, now sponsored by the Senator from New Jersey [Mr. WILLIAMS] with the concurrence of the present Secretary of Labor.

Then there will be an effort to deal with the child-labor provisions of the Fair Labor Standards Act of 1961, to limit the area which was left wide open in that regard, which has been utilized in a way not consistent with the public interest.

Then will follow 2 bills which will be contested, as to which there are minority views. One is for a National Advisory Council, and one is for improving the pretty miserable educational opportunities of migratory farmworkers, adults, and their children. These people have been kept in something of a benighted state, as a result of which many have been victimized. This has been attributable to the fact that these people lacked education, and at times even literacy.

Mr. President, one should not discuss this subject without at the same time making it clear that no one is entitled to make a diatribe against those who employ farm labor in any across-the-board way. Surely, many cases were found by the committee of victimization of these very unfortunate people, but at the same time many cases were found of enlightened farmers, of enlightened employers, of decent circumstances and surroundings for the farmworkers. The pattern is by no means all black and all against the migratory workers.

Certainly we discovered enough very seriously wrong in the situation—conditions in housing, education, and health, as well as compensation, which were completely intolerable to the American concept of fairness and decency—so as to demand at the very minimum this body of proposed legislation.

We are talking about a half million American workers who normally leave their homes to fill temporary farm labor needs in distant areas. In 1959 at the peak about 313,000 of such migratory farmworkers were employed by the end of August. In 1960 the number was some 293,000. These figures exclude the workers who come by contract with governments, like the Mexican Government, with respect to whom there are separately applicable laws.

A number of States have made very intelligent efforts to deal with this problem, but, of course, since it involves an interstate problem, their dealings with it must be confined to their own borders; hence, there is a need for Federal regulation.

I am glad that my own State of New York has a whole body of laws with regard to this problem. I inserted in the RECORD an article describing those laws carefully. There are broad aspects affecting child labor, registration of migrant workers, registration of contractors, payroll records, wage payments, and licensing of commissaries for migrant labor.

The laborers coming from out of State to New York average some 22,500 workers for every agricultural season.

Mr. President, this is a very long overdue reform in an area which has filled America's heart with concern for many years.

It will be remembered that the great Steinbeck book, "Grapes of Wrath," first brought our attention to the serious social problem and the grave amount of social injustice existing in this field. Since then may efforts have been made to do something about it. National citizens' committees and many welfare organizations testified before the subcommittee and have taken an interest.

It is a matter of tremendous personal gratification to me that at last we are before the Senate with bills which I hope very much will be passed today, making some elementary effort to bring relief in this very material and important field of working people at one of the lowest economic levels of which we know in this country, as it affects those who work hard.

Finally, this is work which is constructive and essential in the national interest. Farm productivity is vital to us, and many areas are heavily dependent upon the availability of this type of labor.

Mr. WILLIAMS of New Jersey rose.

Mr. JAVITS. Finally, before I yield to the Senator from New Jersey, I wish to express personal gratification for being able to work with the Senator in so constructive an endeavor, in which I feel he has made a truly historic contribution.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. WILLIAMS of New Jersey. We know that migratory farm families live with many problems. We have known this for years, if not decades. Sporadic efforts have been made over the years in the Congress in an attempt to understand the problems. A committee was formed in 1949 to look into the problem. However, nothing has been done. No legislation has been passed to improve the conditions of American farm families who travel and harvest our crops.

I wish to have the RECORD reflect that approximately 2 years ago a Subcommittee on Migratory Labor was created. At that time the senior Senator from New York joined the subcommittee. It has been my pleasure, indeed, to work persistently with the Senator through the 2-year period, in our efforts to understand the problem and to formulate some solutions, and now to come before the Senate with a program dealing with health, education, and the welfare of that segment of America which is truly the most depressed segment of our country. I express my gratitude, as chairman of the subcommittee, to the senior Senator from New York for his significant contribution over these years.

Mr. JAVITS. I am very grateful to my colleague, whom I respect and admire.

Mr. President, I wish to conclude on this note: It is rarely possible in this Chamber that we can do something which we can actually see, and feel, and grasp and comprehend will have such constructive results in human terms as the body of legislation now before the Senate.

I hazard the feeling that every Senator who participates in the enactment of this proposed legislation today will, in the years ahead, have a sense of personal gratification in seeing the improvements of fundamental consequence which will take place in the lives of fellow Americans whose lives and fortunes have so long been neglected by our National Government.

I am grateful to my colleague.

Mr. WILLIAMS of New Jersey. Mr. President, I wish to say, finally, that within the last few months those of us who worked on the subcommittee have had the benefit of the counsel, experience, and knowledge of two of our senior colleagues who come from States very much involved in agriculture, States which are heavy users of migratory farmworkers.

With respect to this health measure particularly, the senior Senator from Florida and the senior Senator from Virginia have been significantly important in the evolution and development of the program designed to take our traditional health services to the community level and to be of assistance to the migratory farm families who have been, until now, left out.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1130) was ordered to be engrossed for a third reading, and was read the third time.

Mr. COOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COOPER. Which one of the bills concerning migratory workers is now before the Senate?

Mr. WILLIAMS of New Jersey. The bill, S. 1130, which deals with health problems.

Mr. HOLLAND. Mr. President, the Senator from New Jersey, who has continuously done fine work in this field, has mentioned the fact already that he, along with the senior Senator from Virginia [Mr. BYRD] and the Senator from Florida, had two conferences, and a third conference was held, which was attended by my legislative assistant—I personally was not able to attend—in attempting to reach a solution on some of these bills. I had previously joined the Senator from New Jersey in connection with two of the bills, the day nursery bill and the housing bill.

For the RECORD I wish to say now that we came to agreement on certain of the bills. One of them is the bill now pending, concerning health. The Senator from New Jersey, who had introduced this measure, was most reasonable and practical. Certain amendments were agreed to, and they were written into the bill as reported from the committee. Since it has been thus perfected, I hope that it may be passed. It gives preeminence to the local effort. But it likewise calls for some Federal financial support of the effort. I shall not go into details, because they have been adequately described in the able remarks of the Senator from New Jersey.

I think we must all admit that the health problem affects much more than the families of the migrants themselves. It affects other workers who are with them. It affects their employers and their employers' families. It affects the whole community. It not only affects the community in which the migrants may be working today, but it may equally or even more affect the community in which they may be working next week.

It seemed to all of us that this particular measure was sound and salutary. I commend it. I shall support it, and I am sure that if the Senator from Virginia [Mr. BYRD] were present, he would make the same announcement for himself.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1130) was passed.

The title was amended, so as to read: "A bill to amend title III of the Public Health Service Act to authorize grants for family clinics for domestic agricultural migratory workers, and for other purposes."

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILLIAMS of New Jersey. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REGISTRATION OF CONTRACTORS OF MIGRANT AGRICULTURAL WORKERS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 672, Senate bill 1126.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1126) to provide for the registration of contractors of migrant agricultural workers, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 1, line 3, after the word "the", to strike out "Migrant Agricultural" and insert "Farm"; on page 2, line 9, after the word "of", where it appears the second time, to strike out "migrant agricultural laborers" and insert "workers for interstate agricultural employment"; in line 15, after "(a)", to strike out " "Person" " and insert "The term "person" "; in line 18, after "(b)", to trike out " "Migrant agricultural" and insert "The term "farm"; in line 22, after word "family", to insert "at any one time in any calendar year"; in line 23, after the word "employment", to strike out the semicolon and "but such term shall not be held to include any employment agency duly licensed to operate under the laws of any State, any State employment service affiliated with the United States Employment Service, or any other State or Federal agency engaged in the recruiting or referring of migrant workers for interstate agricultural employment" and insert "Such term shall not include (1) any nonprofit charitable organization, public or nonprofit private educational institution, or similar organization; (2) any farmer, processor, canner, ginner, packing shed operator, or nurseryman who engages in any such activity for the purpose of supplying migrant workers solely for his own operation; (3) any full-time or regular employee of any entity referred to in (1) or (2) above; or (4) any person who engages in any such activity for the purpose of obtaining migrant workers of any foreign nation for employment in the United States, if the employment of such workers is subject to (A) an agreement between the United States and such foreign nation, or (B) an arrangement with the government of any foreign nation under which written contracts for the employment of such workers are provided for and the enforcement thereof is provided for in the United States by an instrumentality of such foreign nation."; on page 3, line 22, after "(c)", to strike out " "Fee" " and insert "The term "fee" "; in line 24, after the word "a", to strike out "migrant agricultural" and insert "farm"; on page 4, line 1, after "(d)", to strike out " "Interstate" and insert "The term "interstate" "; in line 7, after the word "by", to strike out "a migrant agricultural" and insert "an individual"; in line 11, after "(e)", to insert "the term"; in line 14, after "(f)", to insert "the term"; in line 17, after the word "migrant", to strike out "agricultural"; in line 18, after the word "individual", to strike out "(A)"; in line 20, after the word "or", to strike out "performing" and insert "who performs"; on page 5, line 2, after "SEC. 4.", to insert "(a)"; at the beginning of line 3, to strike out "migrant agricultural" and insert "farm"; at the beginning of line 6, to strike out "his" and insert "such person's immediate"; after line 6, to insert:

(b) A full-time or regular employee of any person holding a valid certificate of registration under the provisions of this Act shall not, for the purpose of engaging in activities as a farm labor contractor solely on behalf of such person, be required to obtain a certificate of registration hereunder in his own name. Any such employee shall be required to have in his immediate personal possession when engaging in such activities such identification as the Secretary may require showing him to be an employee of, and duly authorized to engage in activities as a farm labor contractor for, a person holding a valid certificate of registration under the provisions of this Act. Except as provided in the foregoing provisions of this subsection, any such employee shall be subject to the provisions of this Act and regulations prescribed hereunder to the same extent as if he were required to obtain a certificate of registration in his own name.

On page 6, line 3, after the word "registration", to strike out "as a migrant agricultural labor contractor" and insert "under this Act"; after line 5, to strike out:

(1) has executed and filed with the Secretary, in such form and manner as may be prescribed by the Secretary, a written application subscribed and sworn to by the applicant, and containing such information (as the Secretary may by regulation require) concerning his conduct and method of operation as a migrant agricultural labor contractor, his financial responsibility, and information with respect to transportation, wage arrangements, housing, and other working conditions to be afforded migrant agricultural workers; and

(2) has filed proof satisfactory to the Secretary of the existence of a policy of insurance, with any insurance carrier authorized to do business in the State wherein the applicant resides and in an amount satisfactory to the Secretary, which insures said applicant against liability for damage to persons or property arising out of the applicant's operation of, or ownership of, any vehicle or vehicles for the transportation of individuals in connection with his business, activities, or operations as a migrant agricultural labor contractor.

And, in lieu thereof, to insert:

(1) has executed and filed with the Secretary a written application subscribed and sworn to by the applicant containing such information (to the best of his knowledge and belief) concerning his conduct and method of operation as a farm labor contractor as the Secretary may require in order effectively to carry out the provisions of this Act; and

(2) has filed, within such time as the Secretary may prescribe, proof satisfactory to the Secretary of the financial responsibility of the applicant or proof satisfactory to the Secretary of the existence of a policy of insurance which insures such applicant against liability for damages to persons or property arising out of the applicant's ownership of, operation of, or his causing to be operated any vehicle for the transportation of migrant workers in connection with his business, activities, or operations as a farm labor contractor. The amount of any such policy of insurance shall be not less than the amount required under the law or regulation of any State in which such applicant operates a vehicle in connection with his business, activities, or operations as a farm labor contractor; but in no event shall the amount of such insurance be less than $5,000 for bodily injuries to or death of one person; $20,000 for bodily injuries to or death of all persons injured or killed in any one accident; $5,000 for the loss or damage in any one accident to property of others.

On page 8, line 6, after the word "any", to strike out "migrant agricultural" and insert "farm"; in line 7, after the word "that", to insert "such contractor"; in line 8, after "(1)", to strike out "the migrant agricultural labor contractor"; in line 12, after "(2)", to strike out "that the migrant agricultural labor contractor has"; in line 13, after the word "knowingly", to insert "has"; in line 14, after the word "migrant", to strike out "agricultural"; in line 16, after "(3)", to strike out "the migrant agricultural labor contractor, without justification,"; in line 17, after the word "failed", to insert "without justification"; in line 20, after "(4)", to strike out "the migrant agricultural labor contractor"; at the beginning of line 23, to strike out "agricultural"; after line 23, to strike out:

(5) the migrant agricultural labor contractor's policy of insurance required by subsection (a) (2) has lapsed or has been canceled;

And, in lieu thereof, to insert:

(5) has failed to show financial responsibility satisfactory to the Secretary required by subsection (a) (2) of this section or has failed to keep in effect a policy of insurance required by subsection (a) (2) of this section;

On page 9, line 7, after "(6)", to strike out "the migrant agricultural labor contractor"; after line 11, to strike out:

(7) the migrant agricultural labor contractor (A) has himself, or through business arrangements with another person or persons, engaged in, or (B) has permitted, authorized, or directed any person in his employ to engage in, any illegal activities on or near the vicinity of any premises being utilized for housing purposes by migrant agricultural workers;

And, in lieu thereof, to insert:

(7) has been convicted of any crime under State or Federal law relating to gambling or prostitution, or to the sale, distribution, or possession of alcoholic liquors or narcotics in connection with or incident to his activities as a farm labor contractor;

In line 24, after "(8)", to strike out "that the migrant agricultural labor contractor"; on page 10, line 5, after "(9)", to strike out "that the migrant agricultural labor contractor"; in line 19, after the word "times", insert "while engaging in activities as a farm labor contractor"; in line 21, after the word "a", to strike out "migrant agricultural" and insert "farm"; after line 22, to strike out:

(b) ascertain in preseason contracting and disclose to each worker he recruits such information as the Secretary may by regulation require.

And, in lieu thereof, to insert:

(b) ascertain and disclose to each worker at the time the worker is recruited, the following information to the best of his knowledge and belief: (1) the area of employment, (2) the crops and operations on which he may be employed, (3) the transportation, housing, and insurance to be provided him, and (4) the wage rates to be paid him;

On page 11, line 13, after the word "occupancy;" to insert "and"; after line 13, to strike out:

(c) in the event he supervises the field work or pays those engaged in agricultural employment, keep payroll records for each worker of wage rates, wages earned, number of hours worked, and all withholdings from wages on a form and in the manner prescribed by the Secretary.

And, in lieu thereof, to insert:

(e) in the event he pays migrant workers engaged in interstate agricultural employment, either on his own behalf or on behalf of another person, keep payroll records which shall show for each worker total earnings in each payroll period, all withholdings from wages, and net earnings. In addition, for workers employed on a time basis, the number of units of time employed and the rate per unit of time shall be recorded on the payroll records, and for workers employed on a piece rate basis, the number of units of work performed and the rate per unit shall be recorded on such records. The Secretary may prescribe an appropriate form for recording such information.

On page 12, after line 7, to strike out:

REPORT OF VIOLATIONS

SEC. 7. Upon receipt from any person of a statement alleging a violation of this Act or any regulation promulgated hereunder, the Secretary shall cause such alleged violation to be investigated and shall determine whether the circumstances warrant a hearing pursuant to section 5(b) of this Act. Such statements may be directed to the Secretary or to such other person or persons as the Secretary may designate.

And, in lieu thereof, to insert:

AUTHORITY TO OBTAIN INFORMATION

SEC. 7. The Secretary or his designated representative may investigate and gather data with respect to matters which may aid in carrying out the provisions of this Act. In any case in which a complaint has been filed with the Secretary regarding a violation of this Act or with respect to which the Secretary has reasonable grounds to believe that a farm labor contractor has violated any provisions of this Act, the Secretary or his designated representative may investigate and gather data respecting such case, and may, in connection therewith, enter and inspect such places and such records (and make such transcriptions thereof), question such persons, and investigate such facts, conditions, practices, or matters as may be necessary or appropriate to determine whether a violation of this Act has been committed.

On page 13, line 15, after the word "this", to strike out "Act" and insert "Act, and to allocate or transfer funds or otherwise to pay or to reimburse such agencies for expenses in connection therewith"; in line 19, after the word "Any", to strike out "migrant agricultural" and insert "farm"; at the beginning of line 20, to insert "or employee thereof"; in line 22, after "$500", to strike out the comma and "or imprisoned not more than six months, or both"; on page 14, after line 5, to insert a new section, as follows:

JUDICIAL REVIEW

SEC. 11. Any person aggrieved by any order of the Secretary in refusing to issue or renew, or in suspending or revoking, a certificate of registration may obtain a review of any such order by filing in the district court of the United States for the district wherein such person resides or has his principal place of business, or in the United States District Court for the District of Columbia, and serving upon the Secretary, within thirty days after the entry of such order, a written petition praying that the order of the Secretary be modified or set aside in whole or in part. Upon receipt of any such petition, the Secretary shall file in such court a full, true, and correct copy of the transcript of the proceedings upon which the order complained of was entered. Upon the filing of such petition and receipt of such transcript, such court shall have jurisdiction to affirm, set aside, modify, or enforce such order, in whole or in part. In any such review, the findings of fact of the Secretary shall not be set aside if supported by substantial evidence. The judgment and decree of the court shall be final, subject to review as provided in sections 1254 and 1291 of title 28, United States Code.

On page 15, line 4, to change the section number from "11" to "12"; in line 9, to change the section number from "12" to "13"; after line 13, to insert a new section, as follows:

RULES AND REGULATIONS

SEC. 14. The Secretary is authorized to issue such rules and regulations as he determines necessary for the purpose of carrying out the provisions of sections 4, 5, 6, and 8 of this Act.

And, after line 18, to insert a new section, as follows:

EFFECTIVE DATE

SEC. 15. The provisions of this Act shall become effective on January 1, 1962.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Labor Contractor Registration Act of 1961".

CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds that the channels and instrumentalities of interstate commerce are being used by certain irresponsible contractors for the services of the migrant agricultural laborers who exploit producers of agricultural products, migrant agricultural laborers, and the public generally, and that, as a result of the use of the channels and instrumentalities of interstate commerce by such irresponsible contractors, the flow of interstate commerce has been impeded, obstructed, and restrained.

(b) It is therefore the policy of this Act to remove the impediments, obstructions, and restraints occasioned to the flow of interstate commerce by the activities of such irresponsible contractors by requiring that all persons engaged in the activity of contracting for the services of workers for interstate agricultural employment comply with the provisions of this Act and all regulations prescribed hereunder by the Secretary of Labor.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "person" includes any individual, partnership, association, joint stock company, trust, or corporation.

(b) The term "farm labor contractor" means any person who, for a fee, either for himself or on behalf of another person, recruits, solicits, hires, furnishes, or transports ten or more migrant workers (excluding members of his immediate family) at any one time in any calendar year for interstate agricultural employment. Such term shall not include (1) any nonprofit charitable organization, public or nonprofit private educational institution, or similar organization; (2) any farmer, processor, canner, ginner, packing shed operator, or nurseryman who engages in any such activity for the purpose of supplying migrant workers solely for his own operation; (3) any full-time or regular employee of any entity referred to in (1) or (2) above; or (4) any person who engages in any such activity for the purpose of obtaining migrant workers of any foreign nation for employment in the United States, if the employment of such workers is subject to (A) an agreement between the United States and such foreign nation, or (B) an arrangement with the government of any foreign nation under which written contracts for the employment of such workers are provided for and the enforcement thereof is provided for in the United States by an instrumentality of such foreign nation.

(c) The term "fee" includes any money or other valuable consideration paid or promised to be paid to a person for services as a farm labor contractor.

(d) The term "interstate agricultural employment" means employment in any service or activity included within the provisions of section 3(f) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 203(f)), or section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(g)), when such service or activity is performed by an individual worker who has been transported from one State to another or from any place outside of a State to any place within a State.

(e) The term "Secretary" means the Secretary of the United States Department of Labor or his duly authorized representative.

(f) The term "State" means any of the States of the United States, the District of Columbia, the Virgin Islands, Puerto Rico, and Guam.

(g) The term "migrant worker" means an individual whose primary employment is in agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)), or who performs agricultural labor, as defined in section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(f)), on a seasonal or other temporary basis.

CERTIFICATE OF REGISTRATION REQUIRED

SEC. 4. (a) No person shall engage in activities as a farm labor contractor unless he first obtains a certificate of registration from the Secretary, and unless such certificate is in full force and effect and is in such person's immediate possession.

(b) A full-time or regular employee of any person holding a valid certificate of registration under the provisions of this Act shall not, for the purpose of engaging in activities as a farm labor contractor solely on behalf of such person, be required to obtain a certificate of registration hereunder in his own name. Any such employee shall be required to have in his immediate personal possession when engaging in such activities such identification as the Secretary may require showing him to be an employee of, and duly authorized to engage in activities as a farm labor contractor for, a person holding a valid certificate of registration under the provisions of this Act. Except as provided in the foregoing provisions of this subsection, any such employee shall be subject to the provisions of this Act and regulations prescribed hereunder to the same extent as if he were required to obtain a certificate of registration in his own name.

ISSUANCE OF CERTIFICATE OF REGISTRATION

SEC. 5. (a) The Secretary shall, after appropriate investigation, issue a certificate of registration under this Act to any person who—

(1) has executed and filed with the Secretary a written application subscribed and sworn to by the applicant containing such information (to the best of his knowledge and belief) concerning his conduct and method of operation as a farm labor contractor as the Secretary may require in order effectively to carry out the provisions of this Act; and

(2) has filed, within such time as the Secretary may prescribe, proof satisfactory to the Secretary of the financial responsibility of the applicant or proof satisfactory to the Secretary of the existence of a policy of insurance which insures such applicant against liability for damages to persons or property arising out of the applicant's ownership of, operation of, or his causing to be operated any vehicle for the transportation of migrant workers in connection with his business, activities, or operations as a farm labor contractor. The amount of any such policy of insurance shall be not less than the amount required under the law or regulation of any State in which such applicant operates a vehicle in connection with his business, activities, or operations as a farm labor contractor; but in no event shall the amount of such insurance be less than $5,000 for bodily injuries to or death of one person; $20,000 for bodily injuries to or death of all persons injured or killed in any one accident; $5,000 for the loss or damage in any one accident to property of others.

(b) Upon notice and hearing in accordance with regulations prescribed by him, the Secretary may refuse to issue, and may suspend, revoke, or refuse to renew a certificate of registration to any farm labor contractor if he finds that such contractor—

(1) knowingly has made any misrepresentations or false statements in his application for a certificate of registration or any renewal thereof;

(2) knowingly has given false or misleading information to migrant workers concerning the terms, conditions, or existence of agricultural employment;

(3) has failed, without justification, to perform agreements entered into or arrangements with farm operators;

(4) has failed, without justification, to comply with the terms of any working arrangements he has made with migrant workers;

(5) has failed to show financial responsibility satisfactory to the Secretary required by subsection (a)(2) of this section or has failed to keep in effect a policy of insurance required by subsection (a)(2) of this section;

(6) has recruited, employed, or utilized the services of a person with knowledge that such person is violating the provisions of the immigration and nationality laws of the United States;

(7) has been convicted of any crime under State or Federal law relating to gambling or prostitution, or to the sale, distribution, or possession of alcoholic liquors or narcotics in connection with or incident to his activities as a farm labor contractor;

(8) has failed to comply with rules and regulations promulgated by the Interstate Commerce Commission that are applicable to his activities and operations in interstate commerce; or

(9) has failed to comply with any of the provisions of this Act or any regulations issued hereunder.

(c) A certificate of registration, once issued, may not be transferred or assigned and shall be effective for the remainder of the calendar year during which it is issued, unless suspended or revoked by the Secretary as provided in this Act. A certificate of registration may be renewed each calendar year upon approval by the Secretary of an application for its renewal.

OBLIGATIONS AND PROHIBITIONS

SEC. 6. Every migrant agricultural labor contractor shall—

(a) carry his certificate of registration with him at all times while engaging in activities as a farm labor contractor and exhibit the same to all persons with whom he intends to deal in his capacity as a farm labor contractor prior to so dealing;

(b) ascertain and disclose to each worker at the time the worker is recruited, the following information to the best of his knowledge and belief: (1) the area of employment, (2) the crops and operations on which he may be employed, (3) the transportation, housing, and insurance to be provided him, and (4) the wage rates to be paid him;

(c) upon arrival at a given place of employment, post in a conspicuous place a written statement of the terms and conditions of that employment.

(d) in the event he manages, supervises, of otherwise controls the housing facilities, post in a conspicuous place the terms and conditions of occupancy; and

(e) in the event he pays migrant workers engaged in interstate agricultural employment, either on his own behalf or on behalf of another person, keep payroll records which shall show for each worker total earnings in each payroll period, all withholdings from wages, and net earnings. In addition, for workers employed on a time basis, the number of units of time employed and the rate per unit of time shall be recorded on the payroll records, and for workers employed on a piece rate basis, the number of units of work performed and the rate per unit shall be recorded on such records. The Secretary may prescribe an appropriate form for recording such information.

AUTHORITY TO OBTAIN INFORMATION

SEC. 7. The Secretary or his designated representative may investigate and gather data with respect to matters which may aid in carrying out the provisions of this Act. In any case in which a complaint has been filed with the Secretary regarding a violation of this Act or with respect to which the Secretary has reasonable grounds to believe that a farm labor contractor has violated any provisions of this Act, the Secretary or his designated representative may investigate and gather data respecting such case, and may, in connection therewith, enter and inspect such places and such records (and make such transcriptions thereof), question such persons, and investigate such facts, conditions, practices, or matters as may be necessary or appropriate to determine whether a violation of this Act has been committed.

AGREEMENTS WITH FEDERAL AND STATE AGENCIES

SEC. 8. The Secretary is authorized to enter into agreements with Federal and State agencies, to utilize (pursuant to such agreements) the facilities and services of the agencies, and to delegate to the agencies such authority, other than rulemaking, as he deems necessary in carrying out the provisions of this Act, and to allocate or transfer funds or otherwise to pay or to reimburse such agencies for expenses in connection therewith.

PENALTY PROVISIONS

SEC. 9. Any farm labor contractor or employee thereof who willfully and knowingly violates any provision of this Act or any regulation prescribed hereunder shall be fined not more than $500.

APPLICABILITY OF ADMINISTRATIVE PROCEDURE ACT

SEC. 10. The provisions of the Administrative Procedure Act (5 U.S.C. 1001 and the following) shall apply to all administrative proceedings conducted pursuant to the authority contained in this Act.

JUDICIAL REVIEW

SEC. 11. Any person aggrieved by any order of the Secretary in refusing to issue or renew, or in suspending or revoking, a certificate of registration may obtain a review of any such order by filing in the district court of the United States for the district wherein such person resides or has his principal place of business, or in the United States District Court for the District of Columbia, and serving upon the Secretary, within thirty days after the entry of such order, a written petition praying that the order of the Secretary be modified or set aside in whole or in part. Upon receipt of any such petition, the Secretary shall file in such court a full, true, and correct copy of the transcript of the proceedings upon which the order complained of was entered. Upon the filing of such petition and receipt of such transcript, such court shall have jurisdiction to affirm, set aside, modify, or enforce such order, in whole or in part. In any such review, the findings of fact of the Secretary shall not be set aside if supported by substantial evidence. The judgment and decree of the court shall be final, subject to review as provided in sections 1254 and 1291 of title 28, United States Code.

STATE LAWS AND REGULATIONS

SEC. 12. This Act and the provisions contained herein are intended to supplement State action and compliance with this Act shall not excuse anyone from compliance with appropriate State law and regulation.

SEVERABILITY

SEC. 13. If any provision of this Act, or the application thereof to any person or circumstance, shall be held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

RULES AND REGULATIONS

SEC. 14. The Secretary is authorized to issue such rules and regulations as he determines necessary for the purpose of carrying out the provisions of sections 4, 5, 6, and 8 of this Act.

EFFECTIVE DATE

SEC. 15. The provisions of this Act shall become effective on January 1, 1962.

Mr. WILLIAMS of New Jersey. Mr. President, the five migratory labor bills which are being presented to the Senate today offer sound and practical solutions to some of the most serious problems facing the migratory farmworkers of America.

This five-point legislative program is the result of a long period of intensive study of these problems. In the 86th Congress and in the present Congress, the Subcommittee on Migratory Labor held extensive hearings on these bills, both here in Washington and in communities throughout the Nation. The subcommittee has visted farm communities in Florida, California, Michigan, Wisconsin, Minnesota, New York, Pennsylvania, and New Jersey. In these hearings we have heard the opinions of farmers, workers, and numerous other parties concerned with migratory labor.

More recently, in the development of the specific legislative proposals now before the Senate, I have received invaluable aid and advice from two of the most outstanding and respected Members of this body.

I have already referred to the significant help and contribution of the senior Senator from Florida [Mr. HOLLAND] and the senior Senator from Virginia [Mr. BYRD].

The pending bill (S. 1126) establishes a system of Federal registration for interstate farm labor contractors, or—as they are often called—crew leaders. These labor contractors are the middlemen in making work arrangements between growers and migratory farmworkers.

The legislation defines a crew leader as any person who for a fee, for himself or on behalf of another person, recruits or transports 10 or more migrant farmworkers for interstate agricultural employment. The minimum of 10 workers is determined by reference to the number of workers transported at any one time, exclusive of members of the crew leader's immediate family. Persons and entities engaged in certain kinds of recruitment activities would not be required to register under the provisions of the bill. Those exempted from the registration requirements are: First, charitable, educational, or similar nonprofit organizations and their full-time or regular employees; second, farmers or processors—and their full-time or regular employees—hiring for their own operations; or third, persons engaged in obtaining foreign workers whose employment is already subject to an international agreement.

There are certain other excepted categories within the provisions of the bill.

Under the registration procedures of this legislation, a crew leader must obtain a certificate of registration each year from the Secretary of Labor. This certificate or license must be kept in the crew leader's immediate possession and shown to growers and workers as proof that the crew leader has complied with obligations specified by the legislation.

The Labor Department estimates that about 8,000 crew leaders are presently engaged in interstate recruitment of farmworkers. Each year approximately 200,000 workers, with 50,000 nonworking family members, depend upon these crew leaders for food, shelter, and protection as they move about looking for harvest jobs.

A system of Federal registration is made necessary by the unique role of the crew leader in the farm labor market. The employer's contact with migratory farmworkers is often temporary and impersonal. But the crew leader has a continuing, close relationship with the workers, the nature of which makes the worker almost totally dependent upon the crew leader's honesty and sense of fairplay. Here are some of the major functions of the crew leader:

He generally recruits the workers at the beginning of the season.

He negotiates the working contract, and supplies transportation to the work.

He lends money to the workers.

He handles the payment of wages and frequently acts as foreman on the harvest job.

Many crew leaders perform their functions in a satisfactory manner yet there is increasing evidence that a large number of crew leaders take advantage of the worker's dependency upon them. A special survey conducted by the Department of Labor in January 1960, has revealed numerous crew leader abuses. Among these were: Overcharging for transportation, unauthorized withholding from wages, misrepresentation of working conditions, abandoning a crew without means of transportation and failure to return workers to their homes. Opportunities for these kind of abuses are particularly prevalent in those many instances where workers are illiterate or speak little English.

From the growers have come repeated stories of breach of contract and failure to report with a crew after accepting a transportation advance.

The pending legislation deals with this problem by providing specific obligations which the crew leader must meet to continue in this business. This legislation would also assure safer transportation for migratory farmworkers. This will result from a requirement that the crew leader have a public liability insurance policy on his vehicles, or show financial responsibility under a State law in lieu thereof. In addition, a crew leader would be required to post for his workers, written statements of the terms of employment and housing and, when he pays workers, to keep proper payroll records.

Ten States have recognized the crew-leader problem by enacting registration laws or issuing regulations on the subject. The commissioners of labor of at least six of these States have said that State action is not enough and that Federal registration of farm-labor contractors is also needed. Since State laws are applicable only within the State's jurisdiction and since most crews operate across State lines, effective action on these problems cannot be achieved without Federal legislation.

The administration has recommended enactment of this proposed legislation. Its favorable views on the bill have been presented to the Subcommittee on Migratory Labor by the Department of Labor, the Department of Agriculture, and the Bureau of the Budget.

Mr. President, we must drive the dishonest, irresponsible crew leader out of our farm labor market. This bill will do that—without imposing impractical burdens on the reliable crew leader—and I urge that the Senate approve it.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. ELLENDER. I have just walked into the Chamber, and I have not had occasion to study the migratory labor bills. Does the pending bill or any other bill which the Senator hopes to present this afternoon have to do with fixing of wages to be paid to these migratory laborers? I understand there are four which the Senator intends to bring up.

Mr. WILLIAMS of New Jersey. Five. The bill we have now presented to the Senate today, and which we have already considered and passed, dealt with health.

Mr. ELLENDER. Health?

Mr. WILLIAMS of New Jersey. Health services, which are modeled in part on the Belle Glade, Fla., health clinics.

Mr. ELLENDER. Is that to be carried on by the States and the Federal Government?

Mr. WILLIAMS of New Jersey. It is in the tradition of the public health pattern, with a great deal of reliance on the local health services.

The bill which is now before us deals with the crew leader, the liaison between the workers, who recruits the workers, and the growers. It would put the crew leaders under registration and would withhold from them registration if they do not honor their contracts with the worker and the grower.

There are also three other bills that we wish to take up. They deal with a program of assistance to education of the youngsers who travel with their families, both in regular school sessions and in summer schools. There is also included in the bill a pilot program of adult education.

Mr. ELLENDER. The Senator has not reached that bill yet. Is that correct?

Mr. WILLIAMS of New Jersey. Not yet. Following that there will be a bill under consideration which will deal with child labor. Finally there will be a bill to create a National Advisory Committee to study the problems of migratory farm workers. No wage bill will come before us today.

Mr. ELLENDER. Does the Senator expect to take up the bill creating the commission this afternoon?

Mr. WILLIAMS of New Jersey. Yes, we do.

Mr. JAVITS. Mr. President, I express support for the so-called crew leader bill. This bill developed in the administration of Secretary of Labor Mitchell during the last administration, and has now happily come to action in the administration of Secretary of Labor Goldberg.

The best evidence of the need for this bill is experience. I therefore ask unanimous consent that there may be printed in the RECORD as a part of my remarks a letter addressed to the counsel of our Subcommittee on Migratory Labor by M. P. Gatherwood, industrial commissioner of the Department of Labor of the State of New York.

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

STATE OF NEW YORK,
DEPARTMENT OF LABOR,
Albany, N.Y. May 23, 1961.

Mr. FREDERICK R. BLACKWELL,
Counsel, Subcommittee on Migratory Labor, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. BLACKWELL: Thank you for your letter of May 15, 1961, concerning the New York State registration law for farm labor contractors and crew leaders.

The registration law became effective on May 1, 1954. It provides that the commissioner may revoke, suspend, or refuse to renew the registration of a farm labor contractor or crew leader when he finds that the registrant has violated the labor or penal laws, has been convicted of any crime or offense except traffic violations, has made misrepresentations or false statements in his application or has given false or misleading information to his workers. Before taking such action, however, the applicant is furnished with the opportunity to be heard.

Since the date that the law became effective, 132 hearings were held concerning the registration provisions relating to farm labor contractors or crew leaders. Twelve registrations were revoked. Sixty-two applications for a certificate of registration were denied. The reasons for such actions included the convictions of the registrants for: carrying loaded and concealed weapons, assault, gambling, selling alcoholic beverages without a license, larceny, robbery, illegal employment of children, false statements concerning convictions, etc.

When the application for a certificate of registration is received, we transmit the applicant's identification to the department of correction and the division of State police to ascertain whether there is a criminal record. The information that is received is posted on the applicant's card and the appropriate action is taken.

The applicant's registration is sent to our field staff for the purpose of visiting the farms and farm labor camps to interview the agricultural workers and to determine compliance with the conditions of employment as shown in the registration.

I hope that this information will be helpful and if I can be of further assistance, please let me know.

Sincerely,

M. P. CATHERWOOD,
Industrial Commissioner.

Mr. JAVITS. As will be seen, the letter details the experience in the last 7 years of the State of New York, which has had a crew registration law in effect since May 1, 1954. Dr. Catherwood in pointing out the need for this law, states that since our law in New York became effective, 132 hearings have been held concerning registration provisions relating to crew leaders. Twelve registrations were revoked. Sixty-two applications were denied. Here is the important thing: Dr. Catherwood points out the reason for the denial to be convictions of registrants or applicants for carrying concealed weapons, assault, gambling, sale of alcoholic beverages without a license, larceny, robbery, illegal employment of children, false statements concerning convictions of crime, and so forth.

It seems to me that this very clearly indicates the dangers which the crew leader registration bill seeks to guard against, based upon actual experience with men who engage in this line of business in New York.

This is not true of all crew leaders, because there are many decent people trying to do an honorable job in this as in every other field, but it is enough true, as shown by actual experience in New York and by our own hearings, to require regulation on the Federal level, because it cannot be effectively reached by State laws, and very few States have such regulations.

Mr. HOLLAND. Mr. President, this is the second of a series of bills which were discussed in the conference I mentioned a few moments ago as having taken place between the distinguished Senator from New Jersey, the senior Senator from Virginia [Mr. BYRD] and myself. We not only had conferences with the staff members of our own committees, but also staff members of the committees involved and also representatives of the outstanding agricultural organizations, such as, in my own State, the Florida Fruit & Vegetable Association, and the American Farm Bureau Federation. I am not pretending to express the position of any of these organizations. All I can say is that with reference to the one in Florida, the Florida Fruit & Vegetable Association, that they interpose no objection to the first bill that was on the calendar and which we have already passed. I believe the distinguished Senator from New Jersey has already stated that that bill seeks to make general the application of a series of experiments in health installations which have taken place at Belle Glade, Fla., for the last 2 or 3 years. Am I correct?

Mr. WILLIAMS of New Jersey. The Senator is correct.

Mr. HOLLAND. With respect to the crew leader bill, that is another of the bills on which agreement was reached.

Senators will note from looking at the bill that rather sizable amendments have been made to the original text of the bill. Some of those were suggested by the Senator from New Jersey. Some of them were suggested either by the Senator from Virginia or myself, or by some farm organizations, or by our staff members.

I merely wish to say with respect to the present bill that it represents a fair effort to deal with the problems which have arisen out of the fact that some crew leaders have imposed upon their rather uneducated charges who were committed to their hands. I support the bill, and I hope it will be passed.

While I am on my feet, I should like to say that I also support several of the other bills in the series. I understand that some will not be taken up today. I joined the Senator from New Jersey in the introduction of the bill to provide day nurseries for migrant children, which again follows the pattern we have developed in Florida.

Mr. WILLIAMS of New Jersey. Another measure which the senior Senator from Florida and I both sponsored relates to the program of insurance guarantees for better housing.

Mr. HOLLAND. Yes. I am glad the Senator mentioned that. I do not believe that that bill has been reported as yet, has it?

Mr. WILLIAMS of New Jersey. It has not been reported from committee.

Mr. HOLLAND. I was glad to join with the Senator from New Jersey, because he is decidedly a leader in this field of legislation. As stated, I have joined with him in two bills, one to provide day nurseries for the children of migrant families, and one under which the Federal Government would provide some help in the construction of migratory labor housing. That bill, as I understand, has not yet been reported, but will come up later.

The State of Florida and the farm groups in Florida, which were pretty badly mistreated by the so-called documentary film entitled "Harvest of Shame," about which we have had discussions on the floor heretofore, should take considerable comfort and satisfaction from the fact that several of these bills are based upon experiments successfully made on the Florida scene, which have produced the pattern on which the bills are modeled. One of them, the health bill, will come up today. Another, to come up at a later time, refers to day nurseries.

I think the two committees were surprised, although the Senator from Florida was not, when it was discovered, after figures had been made available by the Department of Labor, that the average hourly rate paid to migrant labor in Florida was as high as it was. My recollection is that the average hourly wage rate in the citrus industry was $1.29, which was above the minimum rate imposed by Federal law for industrial workers. The average rate for workers in the vegetable fields was only a little less than that. I do not recall the exact figure, but if the Senator from New Jersey can supply it, I shall be glad to have him place it in the RECORD.

The point I make now is that the documentary film was literally a diatribe upon the State of Florida, which I believe had made more progress in this field than any other State. We had not only the day nursery program and the health program, which have now become models for all, but we had high average rates of pay. In other respects, also, we had written a good record with respect to the treatment of migratory farmworkers.

Some years ago the Florida Legislature passed a bill which gave the State control of the housing of migratory workers on a salutary basis. I think if nothing else good comes from this discussion, other than the passage of the bills—which I hope will be good also—there will be an opportunity for the public to examine the record. Instead of having a bad record, such as was depicted by the rather atrocious so-called documentary film I have mentioned, the State of Florida and its people, especially its vegetable and fruit producers, have made a good record, a record in which they have never claimed to have attained perfection, a record such that their leading organizations have appeared before the Senate in connection with this effort, trying to be helpful in promoting general progress in some of these fields.

Before I take my seat, I wish to make it clear that I am not supporting all the measures relating to this subject. They will probably come up later in the day, or perhaps on another day. For reasons which I shall advance at that time, I do not support at least two of the measures. However, in general, our group of producers is supporting most of these measures and has been helpful in framing them. We are glad to have this opportunity to have the facts concerning our operations appear in the record of this debate, because there is nothing whatever about it of which we should be ashamed.

Again, I thank the distinguished Senator from New Jersey, who has assiduously and in a dedicated way addressed himself to bringing about better conditions in this field. So far as I am concerned, and so far as the people of my State are concerned, we wish to have our expression of satisfaction and gratitude toward the Senator from New Jersey spread upon the RECORD at this time.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of New Jersey. I feel certain the senior Senator from Florida will recall that the motion picture entitled "Harvest of Shame" was shown on the day before Thanksgiving, last year. It was shown in Washington a day or two later. The Senator from Florida and I had discussions on the floor about the film, but even more about the problems. The Senator from Florida will recall that at that time he made a pledge and I made a pledge that we would persist in our efforts to develop a legislative program which would improve the conditions of migratory farmworkers and their families. That pledge is being honored in the Senate today with the outstanding cooperation of the senior Senator from Florida.

Mr. HOLLAND. The pledge, of course, was made by the Senator from New Jersey. I said on the floor at that time—and I certainly have lived up to it—that I would be glad to join in sponsoring certain of these measures to help perfect the efforts. That I have done. There are one or two measures that I cannot support, but which may be amended to meet my views and the views of the people of my State. But I wish to be fully expressive of the feeling that the Senator from New Jersey has rendered outstanding service in this field, which has been entrusted to his chairmanship. So far as we in Florida are concerned, we have nothing but a feeling of gratitude toward him.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Florida further yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of New Jersey. I have had an opportunity to travel with our subcommittee to Florida. Many of the ideas we are now expressing affirmatively in the proposed legislation were developed from the very enlightened and humane programs which we have seen, and which were first developed in Florida.

Mr. HOLLAND. I thank the distinguished Senator from New Jersey. This is a demonstration of his generous and completely fair-minded treatment of the whole question. I only wish that the persons who composed the so-called documentary film "Harvest of Shame," who, it seems to me, deliberately picked out those things which represented the uncharacteristic features in the field of migrant workers, had shown a small sample of the fairness which has been shown in such high degree by the junior Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1126) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. WILLIAMS of New Jersey. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that during the consideration of the three migratory labor bills which remain, the limitation on staff be removed.

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

EDUCATIONAL OPPORTUNITIES FOR CHILDREN OF MIGRANT AGRICULTURAL EMPLOYEES

Mr. WILLIAMS of New Jersey. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 675 (S. 1124).

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1124) to provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Labor and Public Welfare, with amendments, on page 1, at the beginning of line 5, to insert "Agricultural Employees and"; on page 2, line 9, after the word "of", to insert "and in providing adult education for"; in line 13, after the word "employees", to strike out "and"; in line 15, after the word "education", to insert a comma and "and to provide financial assistance for pilot projects for adult education for such employees"; on page 3, line 5, after the word "public", to strike out "elementary and secondary schools," and insert "elementary, secondary, and adult education"; on page 6, line 16, after the word "to", where it appears the first time, to strike out "75" and insert "100"; on page 8, line 12, after the word "employee", to insert "except that allotments for the fiscal year beginning July 1, 1963, and each fiscal year thereafter shall be available for paying not more than 50 per centum of any such costs"; in line 20, after "SEC. 203.", to insert "(a) "; on page 9, at the beginning of line 11, to insert "(b)"; on page 10, line 16, after the word "children", to insert "except that allotments for the fiscal year beginning July 1, 1963, and each fiscal year thereafter shall be available for paying not more than 50 per centum of the costs of any activities for which payments are made under the provisions of this title"; on page 11, in line 2, after "SEC. 303.", to insert "(a)"; at the beginning of line 15, to insert "(b)", and at the top of page 12, to insert a new title, as follows:

TITLE IV—ADULT EDUCATION

Appropriations

SEC. 401. There is authorized to be appropriated $200,000 for the fiscal year beginning July 1, 1961, and for each of the four succeeding years, for grants under the provisions of this title.

Pilot project grants

SEC. 402. Amounts appropriated pursuant to section 401 for any fiscal year shall be used by the Commissioner for paying the operating costs of pilot projects for adult education for migrant agricultural employees and their spouses in such migrant agricultural employee States as he deems appropriate. As used in this section the term "operating costs" includes all ordinary costs of operating other than any costs for the acquisition of facilities or costs related to any such acquisition.

Application and payments

SEC. 403. (a) The Commissioner may approve an application for funds provided under this title if such application—

(1) is from a State educational agency;

(2) sets out a program of adult education classes for migrant agricultural employees and their spouses which is to be conducted in such State on a pilot project basis by a local educational agency or an institution of higher education, or both, to provide fundamental education and training for healthful modern living, including the operating costs of such classes, and the amount needed under the provisions of this title to defray such costs; and

(3) provides that such State agency will make such reports, in such form, and containing such information as the Commissioner may from time to time reasonably require, and, to assure verification of such reports, give the Commissioner upon request access to the records upon which the information is based.

(b) Upon approval of any such application the Commissioner shall pay, in such installments as he may deem appropriate, to such State agency the amount requested. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

Cooperation with Department of Agriculture

SEC. 404. In carrying out the provisions of this title, the Commissioner shall consult and cooperate with officials of the Federal Extension Service of the Department of Agriculture.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Migrant Agricultural Employees and Children Educational Assistance Act of 1961".

FINDINGS AND PURPOSE OF ACT

SEC. 2. The Congress hereby reaffirms the principle and declares that the States and local communities have and must retain control over and primary responsibility for public education. The Congress recognizes, however, that the interstate and large seasonal movement of migrant agricultural employees imposes severe burdens on local educational agencies in discharging their responsibilities with respect to the education of the children of, and in providing adult education for, such employees who temporarily live within their school districts. It is therefore the purpose of this Act to provide financial assistance for the education of children of migrant agricultural employees, to provide for certain planning grants to the States to improve such education, and to provide financial assistance for pilot projects for adult education for such employees.

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 3. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

DEFINITIONS

SEC. 4. As used in this Act—

(1) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary, secondary, and adult education, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law;

(2) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State, and includes any State agency which directly operates and maintains facilities for providing free public education;

(3) The term "child" means any child who is within the age limits for which the applicable local educational agency provides free public education;

(4) The term "parent" includes a legal guardian or other person in loco parentis;

(5) The term "migrant agricultural employee" means an individual (a) whose primary employment is in agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)), or performing agricultural labor, as defined in section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(f)), on a seasonal or other temporary basis, and (b) who establishes with his family for the purpose of such employment a temporary residence;

(6) The term "Commissioner" means the United States Commissioner of Education;

(7) The term "average daily current expenditures per public school child" means the total current expenditures for a State's public elementary and secondary schools during a particular year divided by the product of the average daily attendance in such schools during such year times the number of schooldays in such year; the term "current expenditures" means expenditures for free public education in such schools to the extent that such expenditures are made from current revenues, except that such term does not include any such expenditure for the acquisition of land, the erection of facilities, interest, or debt service; and for the purposes of payments under title I for attendance during any academic year the Commissioner shall determine and use the average daily current expenditures per public school child for the year preceding such academic year;

(8) The term "institution of higher education" means any such institution which is accredited as such by a nationally recognized accrediting agency; and

(9) The term "migrant agricultural employee State" means any State which has five hundred or more such employees in any five or less counties each of which has at least one hundred such employees, and determinations for the purpose of this definition shall be made for the most recent year that satisfactory population figures are available from reliable sources.

ADMINISTRATION

SEC. 5. (a) The Commissioner shall administer this Act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this Act.

(b) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this Act, including a detailed statement of disbursements.

TITLE I—PAYMENTS TO CERTAIN STATE EDUCATIONAL AGENCIES FOR ASSISTANCE IN EDUCATING CHILDREN OF MIGRANT AGRICULTURAL EMPLOYEE PARENTS

Appropriations authorized

SEC. 101. There are authorized to be appropriated for the fiscal year beginning July 1, 1961, and for the four succeeding fiscal years, such amounts as may be necessary to carry out the provisions of this title.

Payments

SEC. 102. (a) Upon application in accordance with the provisions of this section for the school year beginning in 1961, or for any of the four succeeding school years, by the State educational agency of any migrant agricultural employee State, the Commissioner shall pay to such agency an amount equal to 100 per centum with respect to the school years beginning in 1961 and 1962 and 50 per centum with respect to the school years beginning in 1963, 1964, and 1965, of the average daily current expenditures per public school child, for such State, for each day's attendance during such school year in a free public elementary or secondary school of a local educational agency in such State, by a child who attends any such schools in such State for at least five days during such year and whose parent is a migrant agricultural employee. The amount paid under this section to a State educational agency for each day's attendance in a school of a local educational agency shall be paid by such State agency, in accordance with regulations established by the Commissioner, to such local educational agency.

(b) Payments by the Commissioner under this section shall be made for attendance during the regular school year beginning in 1961, and the four succeeding school years, and may be made at such intervals as the Commissioner deems appropriate. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

(c) An application under the provisions of this section shall be in such form and contain such information as may be required by the Commissioner to carry out the provisions of this section, and the Commissioner may require such additional information and reports at such intervals during the school year as he deems necessary.

TITLE II—GRANTS FOR SUMMER SCHOOLS FOR CHILDREN OF MIGRANT AGRICULTURAL EMPLOYEE PARENTS

Appropriations

SEC. 201. There is authorized to be appropriated $300,000 for the fiscal year beginning July 1, 1961, and for each of the four succeeding fiscal years, for grants under the provisions of this title.

Allotments and grants

SEC. 202. Amounts appropriated pursuant to section 201 for any fiscal year shall be allotted among the migrant agricultural employee States on the basis of their relative populations of migrant agricultural employees for the most recent year that such populations are available from reliable sources. A State's allotment under this section shall be available during the year for which made and the succeeding fiscal year for payments in accordance with the provisions of this title for the operating costs of conducting necessary summer school sessions for children who have a parent who is a migrant agricultural employee, except that allotments for the fiscal year beginning July 1, 1963, and each fiscal year thereafter shall be available for paying not more than 50 per centum of any such costs. As used in this section the term "operating costs" includes all ordinary costs of operation other than any costs for the acquisition of facilities or costs related to any such acquisition.

Application and payments

SEC. 203. (a) The Commissioner shall approve any application for funds provided under this title if such application—

(1) is from a State educational agency;

(2) sets out the State program for summer schools to be conducted in such State by local educational agencies or institutions of higher education, or both, the necessity therefor, the operating costs of such summer schools, and the amount needed under the provisions of this title to defray such costs; and

(3) provides that such State agency will make such reports, in such form, and containing such information as the Commissioner may from time to time reasonably require, and, to assure verification of such reports, give the Commissioner upon request, access to the records upon which the information is based.

(b) Upon approval of any such application the Commissioner shall pay, in such installments as he may deem appropriate, to such State agency out of the allotment to such State, the amount requested. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

TITLE III—PLANNING GRANTS

SEC. 301. There is authorized to be appropriated $250,000 for the fiscal year beginning July 1, 1961, and for each of the four succeeding fiscal years for grants under the provisions of this title.

Allotments and grants

SEC. 302. Amounts appropriated pursuant to section 301 for any fiscal year shall be allotted among the migrant agricultural employee States on the basis of their relative populations of migrant agricultural employees for the most recent year that such populations are available from reliable sources. A State's allotment under this section shall be available during the year for which made for payments in accordance with the provisions of this title (1) to survey the need for summer school sessions for children who have a parent who is a migrant agricultural employee; (2) to develop plans for such sessions where needed; (3) to develop and carry out programs to encourage such children to attend school during the regular academic year and such summer sessions, and to improve the quality of education offered such children; and (4) to coordinate programs provided for in this Act with similar programs in other States, including the transmittal of pertinent information with respect to school records of such children, except that allotments for the fiscal year beginning July 1, 1963, and each fiscal year thereafter shall be available for paying not more than 50 per centum of the costs of any activities for which payments are made under the provisions of this title. Grants under the provisions of this title shall not be available for the cost of acquisition of any facilities.

Application and payments

SEC. 303. (a) The Commissioner shall approve any application for funds provided under this title if such application—

(1) is from a State educational agency;

(2) sets out such program in sufficient detail to satisfy the Commissioner that it carries out the purposes of this title; and

(3) provides that such agency will make such reports, in such form, and containing such information as the Commissioner may from time to time reasonably require, and to assure verification of such reports, give the Commissioner, upon request, access to the records upon which the information is based.

(b) Upon approval of any such application the Commissioner shall pay, in such installments as he may deem appropriate, to such agency out of its State allotment the amount requested. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

TITLE IV—ADULT EDUCATION

Appropriations

SEC. 401. There is authorized to be appropriated $200,000 for the fiscal year beginning July 1, 1961, and for each of the four succeeding fiscal years, for grants under the provisions of this title.

Pilot project grants

SEC. 402. Amounts appropriated pursuant to section 401 for any fiscal year shall be used by the Commissioner for paying the operating costs of pilot projects for adult education for migrant agricultural employees and their spouses in such migrant agricultural employee States as he deems appropriate. As used in this section the term "operating costs" includes all ordinary costs of operating other than any costs for the acquisition of facilities or costs related to any such acquisition.

Application and payments

SEC. 403. (a) The Commissioner may approve an application for funds provided under this title if such application—

(1) is from a State educational agency;

(2) sets out a program of adult education classes for migrant agricultural employees and their spouses which is to be conducted in such State on a pilot project basis by a local educational agency or an institution of higher education, or both, to provide fundamental education and training for healthful modern living, including the operating costs of such classes, and the amount needed under the provisions of this title to defray such costs; and

(3) provides that such State agency will make such reports, in such form, and containing such information as the Commissioner may from time to time reasonably require, and, to assure verification of such reports, give the Commissioner upon request access to the records upon which the information is based.

(b) Upon approval of any such application the Commissioner shall pay, in such installments as he may deem appropriate, to such State agency the amount requested. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

Cooperation with Department of Agriculture

SEC. 404. In carrying out the provisions of this title, the Commissioner shall consult and cooperate with officials of the Federal Extension Service of the Department of Agriculture.

The PRESIDING OFFICER. Under the previous order, the debate on the bill will be limited to 1 hour, the time to be equally divided between the Senator from Texas [Mr. TOWER] and the Senator from New Jersey [Mr. WILLIAMS].

Does the Senator from New Jersey yield himself time?

Mr. WILLIAMS of New Jersey. I yield myself 5 minutes.

Mr. President, Senate bill 1124 provides a 5-year program of annual Federal financial assistance to the States to improve educational opportunities for migratory farmworkers and their children.

The legislation provides the assistance to States for these purposes: First, educating migratory children during the regular school term; second, establishing summer school sessions for migratory children; third, coordinating and planning educational programs for migratory children on a State and interstate basis; and fourth, establishing pilot projects for adult education for migratory workers.

For the first three of these purposes, pertaining to child education, the States would not be required to add to the Federal assistance during the first 2 years that such assistance is given. During the next and last 3 years of the programs, the States would match Federal money on a 50–50 sharing basis. Adult education for migratory workers would be financed on a pilot project basis through Federal grants. The States would not be required to add to the Federal grants during the operation of this program.

The bill expressly prohibits any Federal control of education and guarantees that State and local agencies shall have sole responsibility for their own educational programs.

This legislation follows very closely the proven administrative principles of educational assistance to federally impacted areas. By granting aid on the basis of the number of migrants in an affected locality, this program provides help where it is most seriously needed.

NEED

Mr. President, there is serious and widespread need for this program. Migratory children and adults have the lowest educational attainment, and the most restricted educational opportunity, of any group in the Nation.

In the words of Secretary of Health, Education, and Welfare Abraham Ribicoff:

> The children of migrant agricultural workers constitute the most educationally deprived group in our Nation. Despite increasing efforts by State and local school officials, and others, to remedy the situation, the vast majority of these children never attain the bare minimum of education required to participate effectively in our society.

Each year some 150,000 of these children accompany their parents in search of agricultural employment. A great number of migratory children are enrolled in grades below normal for their age. Often, they are from 2 to 5 years behind their proper grade. As they grow older, they fall farther and farther behind. Many migratory children never achieve the equivalent of a fourth grade education, the established dividing line between literacy and illiteracy.

REGULAR SCHOOL NOT AVAILABLE

A primary reason for such low educational attainment is that regular school classes are available to migratory children on an irregular basis. They enroll in several different schools during the school year, often for very brief periods of time. As a consequence, their education is severely disrupted.

Local school districts want to help migratory children overcome the problems arising from irregular school attendance. Unfortunately, however, the cost of educating these children constitutes a burden which most local communities are unable to bear.

The fact of the matter is that this fiscal problem, caused by the seasonal impact of migratory children, occurs in rural school districts, which, in comparison to urban school districts, already have the most serious financial handicaps in our entire educational system. We cannot reasonably expect these rural communities to shoulder the added burden of educating migratory children. These children are from transient, low-income families who do not contribute to the local tax system or otherwise help to defray the cost of educating their children.

If funds were available to affected local school districts, migratory children could be offered adequate educational opportunities. A number of pilot projects have demonstrated the feasibility of educating the migratory child. But because needed financing is not now available, such projects cannot be expanded into continuing programs for all migratory children. The Federal assistance provided by S. 1124 would make it possible to achieve the results of such pilot projects on a national scale.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. WILLIAMS of New Jersey. Mr. President, I yield myself 5 minutes more.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes more.

SUMMER SCHOOLS AND PLANNING GRANTS

Mr. WILLIAMS of New Jersey. Mr. President, the program of grants for summer schools would allow communities to use otherwise idle facilities to offer more education to the children. This would markedly reduce the disruptive effects caused by their transient life. Planning grants would make it possible for local school districts and State educational agencies to work together, on a State and interstate basis. In this way, continuity in educational programs for migratory children could be developed.

ADULT WORKERS

Like their children, adult migratory farmworkers are in serious need of educational programs. They have received little formal education. In fact, many have never attended school at all. This, of course, has ramifications in almost every aspect of their lives.

Our migratory workers often do not know how to operate complex agricultural machinery. As a result, agricultural mechanization is restricting their job opportunities. Moreover, programs now available to migratory workers—such as safe transportation regulations, job placement services, and agricultural housing codes—are limited in their effectiveness. The migratory worker all to often does not understand how to participate in these programs. In many instances migratory workers do not know how to use ordinary living facilities, such as toilets, showers, bedding, kitchen appliances, and garbage cans. The result has frequently been unnecessary damage to employers' property, as well as needless expense for repairs.

PILOT PROJECTS

The pilot projects for adult education provided by this bill are a fundamental and necessary first step in dealing with these problems. Although experimental programs have demonstrated that the migratory worker is able to respond to education and, consequently, to make substantial improvements in his way of life, these efforts have been too limited.

Federal assistance would enable local communities to take the initiative in providing fundamental, practical training for migratory workers. These pilot projects would, in my judgment, prove conclusively that feasible techniques for educating the adult migratory worker can be developed, and, once developed, would benefit the worker, his employer, and the community.

Mr. President, this legislation is strongly supported by both Government and private groups. The administration has recommended enactment of the bill. Across the Nation, interested organizations and individuals have urged that this legislation be adopted.

Mr. President, there is a serious need to improve educational opportunities for our migratory farm families. This legislation provides a sound, practical program, responsive to this need. Therefore, I urge the Senate to pass this bill.

Mr. ELLENDER. Mr. President, will the Senator from New Jersey yield for a question?

Mr. WILLIAMS of New Jersey. I am happy to yield to the senior Senator from Louisiana.

Mr. ELLENDER. Has the committee obtained information in regard to the number of migratory children who would be involved in such a program?

Mr. WILLIAMS of New Jersey. Yes. If the Senator will consult the report on the bill, I believe he will find the data there.

Mr. ELLENDER. I wish I had time to do so, but I have not been able to. Until a few minutes ago I did not know that these bills were coming up today. That is why I have asked the question.

Mr. WILLIAMS of New Jersey. The estimate appears on page 11 of the report; it is shown State by State.

It is difficult to answer specifically the Senator's question, because children listed under the State of Florida may also be listed under Delaware, under New Jersey, and other States.

Mr. ELLENDER. That was the next question I was about to ask the Senator. Would it be possible, under this bill to deal with migratory children, who, let us say, start in Alabama, and then go to New Jersey, and then go to four or five States within a period of 4 or 5 months?

Mr. WILLIAMS of New Jersey. That is the stream, that is the flow, we have, on the eastern seaboard—Florida, Alabama, up the eastern coast, as far as Maine, as a matter of fact. There are an average of four or five stops on the way.

Mr. ELLENDER. Has the committee obtained any advice as to how such a problem can be met when there may be four or five children in a school for perhaps 2 weeks, who then go to another State for perhaps 3 weeks, and then go to another State and remain for perhaps a month? I can foresee many difficulties that might arise, and I am wondering if the Senator is able to state to us how such a problem can be dealt with effectively, in order to give the children the proper amount of education, so they may have an education comparable to that which is made available to people who live in only one community.

Mr. WILLIAMS of New Jersey. First of all, the bill deals with areas having heavy concentrations of migratory farm families. There is a requirement that before the community receives any assistance, the youngster must be in school at least 5 days. The assistance that would be granted for the first 2 years would be 100 percent of the operating costs, dealing with books and teachers' salaries, but not with new buildings or capital construction or expansion.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLIAMS of New Jersey. I yield myself 5 more minutes.

We have been all over the country, and have seen the results when communities in different farm areas have reached out and stimulated adults to bring their youngsters into the regular schools. The problem here is that where there are areas of heavy concentration, it will be found that school populations are doubled for perhaps 5 weeks, and it is an almost impossible financial burden for local communities to care for the additional school population by way of providing temporary teachers, textbooks, and other items. We know the community can give a youngster who is there for 5 weeks, or perhaps 2 months, a decent education. What we are trying to do is stimulate the communities in their efforts to give attention to the needs of the youngsters who are transients and visitors in the community for a brief period of time.

Mr. ELLENDER. I can well understand that if migrant children lived in a community for as long as 2 or 3 months, they probably could be fitted into the program, and it would probably work very well; but, as the Senator knows, migrant workers are on the move practically all the time. They may live in a particular area 2 or 3 weeks, to save a crop, and then move onto another area, even in the same State.

I am wondering if the committee has studied the problem to the point where it will be possible for the migrant to receive the kind of education the Senator is talking about.

Mr. WILLIAMS of New Jersey. Certain crops are harvested within a period of 2 or 3 weeks. Others take a longer period. The average stop would be 5 to 6 weeks. There is a problem when the interval is shorter. In the bill we provide for a program of interstate planning, in an effort to develop means of relating education in one State to the opportunities in another State.

For example, a report card or a profile of a youngster could be carried with him, and a youngster coming to a new school for 3 or 4 weeks would not lose a week while the teacher found out just what the youngster's capabilities were. The youngster would bring his profile with him, which would describe his achievements to date, and he would then be placed at the level of education where he belonged.

In addition, we have a summer school program which, in my judgment, is probably the most notable of all. It embraces the idea of using idle school facilities where the youngsters are located for a period of time and would enable them to catch up with the education they lost in their travels.

Mr. ELLENDER. Would that be during the summer, while the school was closed, and would the teachers give them special courses?

Mr. WILLIAMS of New Jersey. That is exactly what we hope to achieve through a program of utilizing unused and idle school facilities. Operating money would be granted for hiring teachers for that period.

Mr. ELLENDER. As I understand, the bill provides that for the first 2 years the Federal Government will be contributing 100 percent of the cost of the program. Is that correct?

Mr. WILLIAMS of New Jersey. Yes; and after that 50 percent.

Mr. ELLENDER. On the 50-50 basis, can the Senator tell us how the program is to operate? It is entirely possible that some States will have many more children than will other States? I am wondering how the 50-50 funds will be apportioned.

Mr. WILLIAMS of New Jersey. Where a State qualifies because of the concentration of migrant youngsters, the 50-50 arrangement would be based on the State's findings of per-pupil cost per day. Those figures have been furnished our committee. We know what the State's estimates of the cost per pupil per day are, and that information would be used as the basis.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WILLIAMS of New Jersey. I yield myself 5 additional minutes.

Mr. ELLENDER. It would be possible, then, for a State to be notified in advance as to the approximate number of migrant children that would be taught during a particular year, and, on the basis of the average cost in that State, a State would be able to contribute so much and the Federal Government so much. Is that correct?

Mr. WILLIAMS of New Jersey. The information would come from the State. The State would advise the Commissioner of Education of the number of school youngsters to whom it hoped to furnish education or opportunities for education, and break down its costs. The estimates would then come from that information. The initial impulse to get into this program would come from the community, at the local level.

Mr. ELLENDER. I express the hope that the program will work, but I can see many pitfalls in it. My fear is that much of this money may be used in order to pay schools for doing what they ordinarily should do, anyway.

Mr. WILLIAMS of New Jersey. Of course, if the bill is enacted and becomes a program, I am sure the senior Senator from Louisiana and the junior Senator from New Jersey will be alert to make sure the program works. If it does not work, we shall try to improve it. If we cannot improve it, of course, it should not be continued. But we have seen in many States pilot projects—not full State-wide programs for the education of the children, but pilot projects—which work magnificently. We would like to see this fine experience spread throughout the States. There are 30 or more States in which the migrant workers are a part of the State economy.

Mr. ELLENDER. Who operates the pilot programs?

Mr. WILLIAMS of New Jersey. The local education groups.

Mr. ELLENDER. At whose expense?

Mr. WILLIAMS of New Jersey. The operation is a combination. In the State of Michigan——

Mr. ELLENDER. Does the Federal Government contribute anything?

Mr. WILLIAMS of New Jersey. On the pilot project?

Mr. ELLENDER. Yes.

Mr. WILLIAMS of New Jersey. Not that we have seen.

There is not a present program. That is why the bill is before us.

Mr. ELLENDER. Will any effort be made to have contributions paid by the parents of the children to the States, in order to give the children an education?

Mr. WILLIAMS of New Jersey. The parents will have to make a contribution. Believe it or not, many of the migratory youngsters do not go to school because they do not have shoes or clothing, and do not have enough money to buy the books. I have seen this situation in many States.

The bill will provide for the books. It will provide the money for the teachers. We found that when the adults are stimulated to bring their youngsters to school, their contribution will be forthcoming. They will take the last dollar to get the shoes, and the next to the last dollar to get decent clothing for the children. They will make their contribution.

The PRESIDING OFFICER. The Senator's time has again expired.

Mr. CARROLL. Mr. President, will the Senator yield to me?

Mr. WILLIAMS of New Jersey. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS of New Jersey. How much time remains?

The PRESIDING OFFICER. The Senator from New Jersey has 10 minutes remaining.

Mr. CARROLL. I do not wish to take all the Senator's time. I have a short statement to present. The Senator from Wyoming [Mr. McGEE] and I wish to address ourselves to a subject we think is important, but we do not wish to use the Senator's 10 minutes if he needs this valuable time. Is there more time on the bill itself?

Mr. WILLIAMS of New Jersey. We are limited to an hour. I understand there is some opposition to the proposed legislation. I should like to reserve a little time to reply.

Mr. McGEE. Would it not be possible to yield time under a unanimous-consent request not to charge the time?

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that I may yield to the Senator from Colorado for 5 minutes without the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey to yield 5 minutes to the Senator from Colorado without the time being charged? The Chair hears none, and it is so ordered.

TRIBUTE TO PROF. CLAY MALICK

Mr. CARROLL. Mr. President, in the colleges and universities of our Nation, thousands of professors are given an opportunity to enrich the minds and lives of their students. In each college, in each generation, there are a few professors who stand out in their students' memories long after graduation because these outstanding men had such a profound influence upon those whom they taught.

Clay Malick, professor of political science at the University of Colorado, is one of those men. Twenty-five classes have graduated from the university since Professor Malick began teaching there, and today there are thousands of men and women who remember him with respect and love.

I am very happy to pay tribute to Clay on the 25th anniversary of his teaching career at the University of Colorado. I have known him and appreciated his friendship for many years. I have known many people who have had the benefit of his instruction and inspiration. And I have had the pleasure of having his son, Larry, on my staff this summer.

Mr. President, I have received a letter from two of Professor Malick's former students which I believe well sums up what many others feel about this distinguished man. I ask unanimous consent that it be placed in the RECORD at this point.

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

AUGUST 24, 1961.

The Honorable JOHN A. CARROLL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARROLL: The purpose of this letter is to pay tribute to Prof. Clay P. Malick, who is now rounding out his 25th year on the political science faculty at the University of Colorado. We had the good fortune to be students of his during a part of this time and to learn from him, as thousands have before and since, the dynamics and the glory of the American political system. On this 25th anniversary, on behalf of the many whose imaginations have been fired by Clay Malick's great teaching gift, we wish to voice our indebtedness to one of Colorado's most distinguished citizens.

Clay Malick came to the University of Colorado in 1936 with a B.A. from Duke, an M.A. from Columbia, and a Ph. D. from Harvard. Since that time, he has held in succession all of the professorial ranks. Thousands of young people from all over Colorado and much of the Nation have learned from him considerably more than just the rudiments of political science. Ever ready with a flash of humor or an anecdote to brighten a musty text, Professor Malick has that all-too-rare ability to breathe life into old issues, giving them current application. Students take with them from Clay Malick's classroom the deep commitment to and comprehension of our system of government which are the distinguishing features of his own thinking and teaching.

Of at least equal significance is the contribution which Dr. Malick has made to the development of a challenging and fruitful graduate program at the university. Hundreds of graduate students over the years have had their wits sharpened and their horizons broadened by the intimate contact with Dr. Malick which is so valued a part of graduate experience in the social sciences at the university.

One of the first to see the possibilities in a general social science program, he pioneered in the development of courses in the college of liberal arts which cut across narrow compartments of learning and, while describing the diversity of social knowledge, allowed students to see, in a broad sweep, the unity which lies at its foundation. Those who have shared this revelation can never don the blinders of pedantic specialization.

Yet, though he has a breadth of vision denied to many scholars, Clay Malick knows also the worth of solid research and meticulous analysis. Attached is a list of research articles spanning 30 years which have contributed significantly to the store of knowledge in the various fields of political science, assuring Dr. Malick's standing as a respected specialist in his profession. Early publication of his latest work, "Cosmology and Political Theory," is expected. Dr. Malick performed valuable public service with the War Labor Board during World War II. He has since 1954 been a member of the editorial board of the Colorado Quarterly. Also, he is a member of the American Political Science Association and of the Western Political Science Association and has contributed many papers to the annual meetings of both groups.

The real impact of Clay Malick's career at the university cannot even be suggested by any mere list of achievements. He has brought to the campus community, to the city of Boulder, and to the State of Colorado a special kind of intellectual courage which has more than once led him to defend unpopular causes at some personal risk. Yet his political and professional judgment has always been tempered by awareness that responsibility no less than freedom is indispensable to the sustenance of a democratic society. Balanced, moderate, and mature, he has at all times been a spokesman for sanity, a rock on whom others could safely lean for counsel. His long professional concern with the public interest and the methods of those who pursue it has uniquely equipped him for this role of opinion-leader in the community.

But for us, as for many others who were his students and remain his friends, Clay Malick is first of all a great teacher, one of those rare human beings who has the capacity to light up hidden corners in a student's mind. His courses in political theory, in constitutional law, and his seminars in government were mind-stretching voyages of discovery for all who took them. The ancient teachings of Plato, Aquinas, and Augustine, the dry dicta of the High Court shake off the dust at his touch and become as when they were written. For Clay Malick and for those fortunate enough to study with him, the past is alive in the present; and we are as a nation what our heritage has made us.

For this lesson, for his friendship through the years, for the hospitality of his home, and for the artistry of his conversation, we will always be grateful.

Sincerely yours,

CHARLES F. WHITTEMORE,
NORMAN I. GELMAN.

Mr. CARROLL. Mr. President, I also ask unanimous consent to have printed in the RECORD a list of publications by Professor Malick.

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

PUBLICATIONS: 1931–60

MONOGRAPH

"Labor Policy Under Democracy." Colorado Studies, series C. No. 1, July 1939.

ARTICLES

"Toward Unemployment Insurance." Current history, May 1931.

"Syllabus for General Social Science." 1949. Pages 1–113.

"Toward a New Constitutional Status for Labor Unions." 21 Rocky Mountain Law Review 260–276. April 1949.

"The Case for General Education in the Social Sciences" (with Morris E. Garnsey). American Economic Review, supplemental. December 1950.

"The Confusion in Union Status: A Proposal." Labor Law Journal, November 1951, pages 830–845.

"Let's Join a Lobby." The Colorado Quarterly, winter 1953.

"Some Thoughts on the Public Interest." Colorado Studies, political science series, July 1954, pages 1–31.

"Some Reflections on Labor, the Economy, and the Public Interest." Labor Law Journal, February 1954.

"*Terry* v. *Adams*—The Supreme Court Looks at Power-bearing Groups." The Western Political Quarterly, March 1954.

"These New Citizen Lobbies." Western Humanities Review, autumn 1959.

"The Moral State of the Nation." Midwest Review, March 1959.

"Is the Supreme Court Too Liberal." Midwest Quarterly, April 1960.

BOOK REVIEWS

Fador, M. W., "The Revolution Is On." Boston, Houghton-Mifflin, 1940, pages xv+239; introduction by Dorothy Thompson. Journal of Central European Affairs, April 1941.

Benes, Eduard, "Democracy Today and Tomorrow." New York, Macmillan, 1939, pages XIV+244, April 1941. Journal of Central European Affairs.

Van der Slice, Austin, "International Labor, Diplomacy and Peace." Philadelphia, University of Pennsylvania Press, 1941, pages 408. Journal of Central European Affairs, January 1943.

N. Arnold-Forster, "The New Freedom of the Seas." Methnur, London, 1942, pages VI+132. Journal of Central European Affairs.

Allen, Carleton Kemp, "Democracy and the Individual." Oxford University Press, pages 109, 1943. Journal of Central European Affairs.

Cobban, Alfred, "National Self-Determination." Royal Institute of International Affairs, Oxford, 1945, page 182. Journal of Central European Affairs.

Von Misis, Ludwig, "Omnipotent Government." Yale University Press, 1944, pages 291. Journal of Central European Affairs.

Juan de Mariana, "The King and the Education of the King." Translation with introduction by George Albert Moore, the Country Dollar Press, 1948, pages XXIII+440. The Western Political Quarterly, October 1948.

Corwin, E. S., "Court Over Constitution: A Study of Judicial Review as an Instrument of Popular Government." New York, Peter Smith, 1950, pages IX+262. Rocky Mountain Law Review.

Commager, H. S., "Majority Rule and Minority Rights." New York, Peter Smith, 1950, pages 92. Rocky Mountain Law Review.

Ernst Frienkel, "The Dual State." Oxford, 1941, pages XVI+244. Journal of Central European Affairs, April 1942.

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

Mr. CARROLL. I yield to the Senator from Wyoming.

Mr. McGEE. I wish to associate myself with the acknowledgement and praise the Senator from Colorado is according to Prof. Clay Malick, of the University of Colorado. I do this for several reasons.

Professor Malick went to the University of Colorado as a professor in 1936. I arrived at the University of Colorado in the next year, 1937, as a graduate student in history and political science. I came to know Dr. Malick well as a student, and later as a colleague in the academic world. On both counts I have always regarded him as one of the truly shining lights, a great teacher as well as a great student of the problems of his time. As one of his colleagues, I can say he is one of the leaders of his academic generation, always in the forefront with new ideas and courageous ideas, at times when it takes real courage in a professorial role to hold to what he regards as both the truth and the central thrust of the events of our time.

I think it is a great credit to Professor Malick to invite attention to the two students mentioned by the Senator from Colorado, whose letter has been put into the RECORD. Dr. Malick's influence has stretched into this body. One of his distinguished students, my assistant, Charles F. Whittemore, has carried on the high principles and dedication which Clay Malick has inspired. The other student, whom I know well, Norman Gelman, worked for the Committee on Commerce as a staff member, and is also carrying on in the Malick tradition.

As a developer of a deep study of so-called "public interest pressure groups." Clay Malick in particular is far out in front of his time. This was true 25 years ago. It is true today. It is a source of great satisfaction not only to him but also to those of us who have sat at his feet to witness the coming to fruition of ideas and programs he espoused a quarter century ago.

I am delighted to associate myself with the accolades of the Senator from Colorado to Dr. Clay Malick of the University of Colorado.

Mr. CARROLL. Mr. President, I am happy to associate myself with the brilliant remarks of the able Senator from Wyoming.

I thank the majority leader, as well as the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Texas [Mr. TOWER] for giving us this opportunity to pay tribute to a great professor.

EDUCATIONAL OPPORTUNITIES FOR CHILDREN OF MIGRANT AGRICULTURAL EMPLOYEES

The Senate resumed the consideration of the bill (S. 1124) to provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees.

Mr. TOWER. Mr. President——

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. TOWER. Mr. President, I yield myself 5 minutes.

I certainly support the objectives of the proposed legislation now under consideration. As an educator, I am bound to support those objectives.

I recall that Mirabeau Lamar, the second President of the Republic of Texas, said that "a cultivated mind is the guardian genius of democracy." I believe that.

I commend the distinguished Senator from New Jersey for his efforts in this field, and I add my commendation to the many others he has received, but I believe the bill should be opposed on the ground that it is simply another intrusion on the part of the Federal Government into the educational responsibilities of the States.

I do not believe that the demands made upon the educational system as a result of migratory workers living in an area should be met by the Federal Government. That is not a function of the Federal Government.

When we give aid to areas impacted as a result of Federal defense installations or other Federal activities, that aid is justified. That is a legitimate function of the Federal Government. It is indeed a Federal responsibility, because by virtue of the Federal activity additional demands have been made on the school system. In the case of the federally impacted areas, as we know, Federal property and Federal activities are not taxable by State and local governments. Therefore, something must be given in lieu of taxes.

This situation with respect to migratory workers is not the result of any Federal activity. In this situation the property on which the migratory workers labor is taxable. The fruits of their labor are taxable. Except where the Federal Government has preempted the sources of taxation from the States, the sources are available to the States to do the job for themselves.

Very often the migratory laborers never go outside one State. They may move within one State. When we look at the figures as to migratory labor to be found on page 11 of the committee report, to show the total number of migrants and the total number of migrant children, and so forth, these figures may contain duplications; that is to say, one laborer may be counted in figures for more than one State, or may be counted several times in the figures for one State.

I do not think the Federal Government should further intrude into the affairs of the States insofar as educational responsibilities are concerned by supporting the proposed legislation.

I further point out that it is not always a problem of making facilities available for educating these people. Some migratory workers prohibit their children from going to school. To make the law fully comprehensive and effective it might be necessary to include a compulsory attendance provision in the bill, such as many States have. The children are not compelled to go to school, and very often do not take advantage of the facilities offered them.

I urge the defeat of the bill.

Mr. JAVITS. Mr. President, will the Senator yield me 2 minutes?

Mr. WILLIAMS of New Jersey. I yield 2 minutes to the Senator from New York.

Mr. JAVITS. I heard with great interest the argument of the Senator from Texas, and I should like to state to Senators why I think in this particular case, without any regard to the principle of Federal aid to education, the bill is deserving of support. There are two big reasons. One is that the children who would be covered need schooling outside the normal school year. They come into work areas in the summer months when the schools are not open. Hence it is an extremely expensive operation for school systems. The situation is analogous to the impacted area idea in the sense that it requires special handling because of the incidence of time when the children need the schooling.

Second, an odd situation exists, which hangs in the air. People move interstate for the purpose of doing a job, which, because it adds to the sum total of the national life, contributes to the national interest. It is quite difficult for States to meet the problem, unless they can really afford it. The record shows that there is some schooling in States that can afford it, such as New York, which has made efforts in that direction, Colorado, and a number of other States.

The important point is that these people have no real situs in the State. They are not large earners, and hence their tax-supporting capability, in the absence of a situs or home, is not proportionate to the drain upon the State represented by the cost of education for them. They fall between two stools. They are not solid and fixed residents in a taxpaying capacity of a State in which the State school system is located. On the other hand, they are in a State at a time when their children ought to have schooling, and when it is in the national interest that they should.

For that reason I felt that the program was not analogous to the normal Federal aid to education, which is another battle on another question. I think the Senator from Texas [Mr. TOWER] is quite correct on that point. We should not intrude in that field. But I think there exists a special set of circumstances of the nature which I have described, which dictates the need for special legislation.

Mr. WILLIAMS of New Jersey. The Senator will agree, I believe, that we have been working persistently for a general Federal aid to education program. Does not the Senator agree that the group of people that we are now talking about are those who most need a program of education for their youngsters, including regular school, summer school, and education for adults, because those people are the lowest paid group of people in the whole country? They have no money. They cannot contribute. They have no property for taxation where they go. They are the lowest income people. They do not contribute, and therefore we have the proposed program.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. JAVITS. I do not gather that the Senator from Texas [Mr. TOWER] has challenged the need. I think the need is very clear. We do need adult and child education. I think the Senator from Texas made the point that this problem is essentially a State responsibility. Therefore, I should like to show why this is a rather special situation which deserves the intercession of the Federal Government, even without regard to the general ideas which are incorporated in the Federal aid to education bill. Certainly the need in terms of the group of citizens, coupled with the fact that we really cannot assess the aid on the States fairly—though one of the major provisions of the bill is matching funds—dictates special legislation of this character.

Mr. TOWER. Mr. President, in Texas we have a saying that goes something like this: "You can lead a horse to water but you can't make him drink."

I think one of the principal problems, so far as the people who would be covered by the bill are concerned, is that in many instances they resist any attempts to educate them. I wonder how effective the proposed program could be made. I remember that at one time the distinguished junior Senator from the State of New York [Mr. KEATING] said that every time we are confronted by a problem, we throw some money at it and hope it will go away. I do not think we can eradicate the problem with money—with additional aid—because I do not think the people whom the program would cover are prepared to accept the benefits that we propose to confer upon them under the terms of the bill. I think the State and local authorities are far more perceptive on these problems and know better how to deal with them.

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, will the Senator from New Jersey yield me an additional minute so that I may submit certain information?

Mr. WILLIAMS of New Jersey. I yield.

Mr. JAVITS. I have before me a report of the U.S. Department of Labor, James P. Mitchell, Secretary, issued in June 1960, in which it is shown that there are a good many education projects in this general area in quite a few States.

I ask unanimous consent that there may be printed in the RECORD as a part of my remarks that part of the report entitled "Migrant Children Need Schooling."

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

MIGRANT CHILDREN NEED SCHOOLING

Migrant children generally enter home-base schools late and leave early. They get no schooling while traveling from place to place. When they arrive at their destination they may find schools closed for crop vacations. Where schools are open, migrant children often find they are not welcome. Soon they are behind other children in school achievement—increasingly so as they get older. Studies show most are retarded from 1 to 5 years.

FAIR LABOR STANDARDS ACT AMENDED TO PROHIBIT EMPLOYMENT DURING SCHOOL HOURS

When the Fair Labor Standards Act was amended in 1950, it became illegal for children under 16 to be employed in agriculture while schools were in session. This provided an added reason for admitting them to school—but still comparatively few communities sought out the children or welcomed them if they appeared. As the new amendment began to be enforced there were many complaints that children who were not allowed to work were being refused admittance at school.

SERIES OF CONFERENCES CALL ATTENTION OF SCHOOL OFFICIALS TO THE LAW AND THE NEED FOR COMMUNITIES TO OPEN SCHOOL DOORS TO MIGRANT CHILDREN

In 1952 the U.S. Office of Education held regional conferences with the chief State school officers to stimulate nationwide interest of school officials in the education of the children of migrants. Since then education of migrant children has been discussed at many community, State, regional, and national conferences and congressional hearings. These conferences have brought out the obstacles and made many recommendations for ways in which communities and States could overcome them.

SOME COMMUNITIES OVERCAME OBSTACLES AND PROVIDED SCHOOLING FOR THE CHILDREN OF MIGRANTS WITHOUT HELP FROM THE STATE

In the early 1950's a small proportion of the communities that had migrants managed to solve the problem for themselves. Under the leadership of a few interested people in a community, resistance of local parents to having their children associate with migrant children was overcome. The resistance of school officials to having the school program disrupted by children who attend for a few days, weeks, or months was superseded by a sense of responsibility for these children who so much needed schooling. The children were sought out, given the necessary immunizations, and somehow the space, teachers, and other facilities were found and financed. Teachers adapted curricula as best they could. Examples of such communities are Hollandale, Minn.; Morgan County, Colo.; Hoopeston, Ill.; King Ferry, N.Y., and many communities in California where the migrants were often California's own children. In the midfifties, however, a large proportion of communities in many States still failed to seek out the migrant children. Some admitted those who came to school; others rejected them.

EDUCATION PROJECTS OF STATEWIDE SIGNIFICANCE IN RECENT YEARS

In the last few years there has been a trend for more broadly based efforts. Many State education departments have advised local school officials of their responsibility for providing schooling for migrants. For example, in North Carolina all elementary school principals in the State have been briefed on the necessity for providing adequate school facilities and teachers for migrant children of school age. During the fall school term migrant children are expected to attend the schools in the areas where their parents work even though the time is short. For the past 3 years in September additional teachers and buildings have been obtained for the increased number of school-age children in the Hendersonville area. Four additional teachers were obtained in 1958 for a period of 4 months. The North Carolina schools use the school transfer record for migrant children which has proved to be helpful.

Of course, the fact that a State education department advises local school officials of their responsibilities for the education of migrant children does not necessarily mean that they get into school in all communities. Citizen interest and support and continuing effort on the part of school officials in seeking out the children is required.

Trend: In the last few years there has been a growing interest on the part of school officials and others to provide schooling for migrants and to see that the children get into school.

Questions: What is your community doing to get migrant children into school? Does your State school attendance law clearly require children of migrants to attend school?

How is the school attendance law being enforced in your area? Do you have a committee for migrants that finds out when the migrants are coming, where they will be located, and how many school-age children there will be in your area? Is your committee working with local school and health officials and private agencies on such problems as community acceptance of the children; providing school clothes and necessary immunizations; preparing local children to welcome the migrants; providing necessary school facilities?

PROGRESS IN 1959 IN TWO STATES

Oregon makes a study of seasonal workers' children in Oregon schools and gets an appropriation to do a more adequate job for them

The purpose of the Oregon study was to find out how many children of seasonal workers actually were in school and how adequately they were being educated.

The State department of education made the study in cooperation with the Governor's interagency committee on migratory labor and an interim committee of the legislature concerned with migrant problems. The school records of 1,287 children enrolled in 9 counties in the 1957–58 school year were studied. County and district superintendents, principals, teachers, school nurses, welfare workers, attendance officers, summer school camp directors, members of school boards, farmers, orchardists and growers were interviewed.

The usual problems of overcrowding were reported. In some schools gymnasiums and basements had been converted into classrooms. Six districts employed nine extra teachers for 2 to 2½ months. Usually the children were assimilated in regular classes.

The study included information on the number of years the children were retarded. It showed that 26 percent were at grade level; 33 percent were retarded 1 year; the rest were retarded 2 to 6 years; only 27 children who were 6 years retarded stayed in school. The largest percentage of children attending were in the 6- to 8-year group. Attendance dropped off rather sharply after 11 years of age.

In 64 percent of the school districts, attendance officers or principals made a special effort to get the children into school; in other districts they did not "beat the bushes" but all pupils who voluntarily attended were accepted in school. The report showed an estimated 2,450 children of school age in the State during the harvest season and concluded that only slightly more than half were in school.[1]

That the people of Oregon were not satisfied with what was being done for the education of children of seasonal workers is attested to by action of the 1959 legislature; $50,000 was appropriated for this purpose for the biennium beginning July 1, 1959. Part of the money was for a pilot summer school program. The State board of education was authorized to contract with school districts and State institutions of higher learning for this purpose. Also the board was authorized to employ a "migrant children education administrator" to evaluate the pilot program and to make a census of the total number of migrant children in the State, the number attending regular schools, and the number in the pilot program. It provided that the administrator should make a report to the board before November 1, 1960, that would include recommendations as to the establishment of a permanent program for the education of migrant children. It created an "advisory committee on migrant children education" to advise the board and the migrant children education administrator on the pilot program and the permanent program.

In July 1959, Oregon began to operate pilot summer schools in two areas with its new appropriation.

Ohio solves the school tax problem and expands summer school program

In Ohio the school census on which school taxes were based was taken in mid-October after most of the migrants had left. This created serious problems for some school officials who had been enrolling the children of migrants in the spring and fall. Most of the children were retarded and needed special attention.

Ohio made a two-pronged attack on the problem: (1) a survey in the nine counties where migrant labor was employed and (2) a demonstration summer school in Ottawa County.

The survey had been proposed by the subcommittee on education of the Governor's Committee on Migrant Labor. The State department of education, with the cooperation of administrators and teachers in nine counties, obtained information on 580 children enrolled in 56 schools—the enrollment per school, days in attendance, their age and grade placement, and extent of retardation, and language handicap. After the survey the subcommittee on education held meetings in northwestern Ohio to which they invited employers, church workers, and school people to discuss what should be done.

Meanwhile the Consumers' League of Ohio had been exploring the possibility of a summer school. The league found that the Ottawa County Board of Education would conduct such a school if a way could be found to finance it. The league referred the request for funds to the Elizabeth S. Magee Foundation, which, with the assistance of the Ohio Council of Church Women, financed the school for 2 years. Reports of the project show that the children had the same range of learning ability as a comparable group in an average public school, that they were retarded from 1 to 6 years because of irregularity in school attendance and language difficulty, that they gained educationally, socially, and physically while at summer school. The report pointed out the need for more summer schools.[2]

The next step was to use the survey on enrollment in regular schools and the report showing the need for more summer schools to get support for legislation to do two things: (1) to reimburse local boards of education for extra expenses incurred for migrants during spring and fall; and (2) to allow for use of State funds for summer schools. The Governor supported this legislative proposal and the inclusion in the budget of $175,000 for the biennium. No opposition was encountered either from the legislators or the finance chairman in the house and senate. The law was amended and the appropriation was obtained in 1959.

Trend: State education departments are helping communities provide education for children of migrants.

Questions: Do you have a State committee for migrants that supports your State education department in overcoming obstacles to the education of migrant children? In many States the Governor of the State has appointed such a committee. Have you tried to organize a group to discuss such a committee with the Governor of your State?

SUMMER SCHOOL FOR CHILDREN OF MIGRANTS

There has apparently been a growing awareness that, even if migrant children attend regular schools in most places where their parents work, there will be gaps in their schooling because of time lost while traveling, and because some communities still reject them or close schools for crop vacations while the migrants are there. An increasing number of summer schools are being set up to help close those gaps.

In addition to the summer schools in Ohio and Oregon there are also summer schools for migrant children in Colorado, New York, New Jersey, Pennsylvania, Michigan, Minnesota, and perhaps other States.

The Colorado pilot schools

The first pilot school in Colorado was a local project in Wiggins in 1955. Then in 1957 a 3-year research in action program was started by the Colorado Department of Education and the U.S. Office of Education. The U.S. Office of Education financed the research and the State department of education the pilot schools. These are summer schools operated by local school districts. There were four in 1958 and five in 1959. Before the schools open each year, workshops for the teachers are held at the Adams State College of Colorado. The pilot schools aim to offer school opportunity to a maximum number of migrant children; to provide suitable curriculums; to contribute to the health, health habits, and character growth of the children; to interest them in attending school, and encourage their parents to enroll them.

There were 359 children enrolled in the pilot schools in 1958. The reports indicate that the children who attended made good progress in the use of the English language, in reading, arithmetic, music and arts. They gained in self-discipline and in ability to get along with others. Growth-weight charts showed above-normal gains. The individual reports reflect happy children.[3]

This pilot program is not yet completed. The Colorado Department of Education has issued interesting reports of the project with valuable statistical information and human interest stories.

New York State expands summer school program

In 1956 and 1957 the New York State Department of Education financed, and local school officials operated, pilot summer schools in two communities with a special appropriation of $10,000 a year. New York

[1] "Study of Seasonal Workers' Children in Oregon Schools," done in cooperation with the Governor's Interagency Committee on Migratory Labor, Oregon State Department of Education, Salem, January 1959.

[2] "Meeting the Educational Needs of the School-Age Children of Migrant Farm Workers in Ohio," Ohio Governor's Committee on Migrant Labor, Education Subcommittee, Columbus, January 1958. Also "Report on the Ottawa County Summer School for Migrant Children," by Betty C. Fall, Curtice, Ohio, Allen Township School, 1958.

[3] "Now We Go—Too!" A Summary Report of the 1958 Colorado Pilot Schools for Children of Migratory Farm Labor Families, Colorado State Department of Education, Denver, 1958.

has 35,000 migrants with 4,000 to 5,000 children.

The report of the State Education Department in describing the purposes and objectives says:

"In visualizing the entire program, it may be said that the purpose of the pilot summer schools for the children of migrant workers is to change what many consider to be a liability into an asset; to use our zeal for a better Nation by investing in its future through better educational opportunities for our migrant population; to unselfishly build for our migrant workers and their children the opportunities, rewards, and respect that they and their services deserve; to better understand these children and secure information useful to local schools in providing more appropriate education for these and similarly underprivileged children during the regular school year."

The New York State child labor law prohibited employment in agriculture of minors under 14 years of age outside school hours and during school vacations. The report states:

"The statistics in the tables at the end of the report indicate that attendance was only a few percentage points below a normal expectancy for a regular school year, even though attendance was voluntary."

The program was adapted to the needs of the group and of individuals in the group. The children and parents were reported to be well satisfied with the program. Teachers in the regular schools who had some of the children before and again after they had attended summer school were most enthusiastic about the results.[4]

In 1958, the New York State education law was amended to provide for reimbursement of local school districts that operated summer schools under specified conditions. The 1958 appropriation was for $10,000 which still provided for only two schools.

In 1959, an appropriation of $40,000 was made for the summer school program, and summer schools for migrants were operated in five communities. All the money was not used and education department officials in New York State hope to expand the program in 1960.

The 1959 report says the purpose of the summer school program for the younger migrant children was to provide a general education program specifically designed to bring them nearer to actual age-grade level in basic subjects and also to facilitate the process of integration with the regular school classes in the fall term.[5]

In New York State a census of migrant children is taken each year and all children from 7 to 16 years of age are required to attend school. Local school districts receive State aid for migrants, on the same basis as for other children.

Pennsylvania has demonstration summer school

Since 1955, Pennsylvania has had a summer school for migrants in Potter County operated by Pennsylvania State University. Sponsored by the Governor's Committee on Migratory Labor, the school has been financed by private funds, mainly through the National Child Labor Committee, private foundations, and the committee on civil rights of the United Steelworkers of America. Seventy-one children attended in 1958.[6]

Efforts have been made in Pennsylvania to have this summer school and others that are needed financed by the State, but the legislature in 1959 turned down a bill to provide State funds for summer schools. However, in 1959, a State law was passed in Pennsylvania providing for reimbursement to local school districts of an extra $1 per migrant child per day, not exceeding 40 days for each such child in attendance during the regular school term.

New Jersey has summer schools for migrants

Three summer schools were supported by a legislative appropriation in the budget of the bureau of migrant labor in the department of labor and industry in 1959. They were financed and sponsored by the bureau with the State department of education assisting in the operation of the school program. At a hearing held before the Special Subcommittee on Migratory Labor of the Senate Committee on Labor and Public Welfare in Trenton, N.J., on November 30, 1959, the Governor and representatives of several government agencies and private groups expressed approval. The vice president of the New Jersey Farm Bureau said:

"We commend the New Jersey Migrant Labor Board for its pioneering efforts in establishing three summer schools for migrant children."

In New Jersey for several years there has been a law prohibiting employment in agriculture for children under 12 years of age outside school hours and during school vacation.

In the past year special emphasis has been given to vocational training. Two experimental projects have been developed with foundation funds, one in Florida with a group of teenage boys where they are learning skills in motor mechanics. The other experiment is in New Jersey, where 80 migrant boys and girls for the third summer have been building two model cabins, repairing an old car, planning meals, making skirts and dresses, cooking and serving supper for the whole group, and repairing screen doors on the cabins where they live for the summer. Last year many of the parents asked to be included, and it became an educational project in homemaking and family living. Two exceptionally skillful teachers, one in industrial arts and the other in home economics, directed the project. The head of the division of vocational education of the State department of education served as consultant, and under his direction a guide for schoolteachers is being prepared, thereby extending the influence of the project far beyond the 80 children immediately involved.[7]

Michigan experiments with summer schools

The Detroit Council of Catholic Women is sponsoring summer schools for migrant children in southern Michigan. Six of the schools are staffed by Marygrove College, Detroit, and the seventh by Siena Heights College, Adrian, Mich. These schools have been operating for several years. In the summer of 1959 there were 440 children enrolled.[8]

A demonstration school in Bay County, Mich., financed mainly by the National Child Labor Committee in 1956 and 1957, was not continued in 1958.[9] Requests for funds to carry on the program were made to the State legislature but money was not granted.

Minnesota has summer boarding schools for migrant children

For many years the Crookston Diocese of the Catholic Church has provided boarding schools for the children of migrants in Moorhead and Crookston, Minn. In these parochial schools, rooms and gymnasiums are transformed into dormitories and the children live at the schools from Monday through Friday.[10]

Trend: Summer schools for migrants are increasing.

Questions: Is there any interest in summer schools for children of migrants in your State? Have you explored the possibilities with your State education departments, universities, the U.S. Office of Education, and private foundations?

University cooperation in education of migrant children

The preceding pages mention the cooperation of universities in summer school programs in Colorado, Michigan, and Pennsylvania.

In at least two State universities, in cooperation with State education departments, school administrators and classroom teachers have also developed materials to help teachers who have migrant children in their classrooms during the regular school year.

"Working with Migrant Children in Our Schools" issued by Florida State University, Tallahassee, Fla., says in the foreword:

"This booklet is both a report of work accomplished by a group of teachers, principals, and supervisors, in an extension class situation and a handbook for other teachers engaged in teaching children enrolled in schools serving both resident and migrant populations.

"We brought to this work a wealth of experience, most of us having taught in this area a number of years. If the reader is inclined to place a high trust in experience, he may be assured that our cumulated experience exceeds 300 years.

"In addition to the contributions made by each of us, we drew freely upon the work of our fellow teachers in the Glades area and enlisted their aid in testing new ideas as they were developed."

"Nomads of the Classroom—Special Helps for Migrant Children in Arizona Classrooms" is a report of a workshop at Arizona State College, Tempe, Ariz. In addition to chapters on curriculums it has a section on "Hi-lights in Teaching the Bi-lingual Child," a bibliography and a listing of films used in teaching.

Since many migrant children who are in Florida and Arizona during the winter move to other States the following months, these materials should be especially useful to the teachers of these children.

Trend: Some State universities have developed material to help teachers of migrant children.

Question: Have teachers of migrant children in your area seen these studies?

Research projects of universities on education of migrant children

Research projects in three universities concerned with the education of migrant

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[4] "A Report on the State Education Department Pilot Project Summer School Education of Migrant Children," The University of the State of New York, State Education Department, Albany, September 1957.

[5] "Report of the 1958 Summer School Program for Children of Migrant Parents," the University of the State of New York, State Education Department, Albany, January 1959.

[6] "School for Migrant Children," Department of Education, Pennsylvania State University, University Park, Pa., 1958.

[7] "An Experiment in Homemaking With the Children of Migrant Farm Workers," Migrant Ministry, National Council of Churches, New York, 1957.

[8] "Regional Reports to the National Council of Catholic Women," National Council of Catholic Women, Washington, D.C., 1959.

[9] "Will You Make a School?" by Lazelle D. Alway, Pub. No. 421, National Child Labor Committee, New York City, May 1957, p. 17. See also "Bay County School for Migrant Children," Bay County Board of Education, Bay City, Mich., 1956.

[10] "Farm Placement 1957," Employment Security Exchange No. 7, Section II Migrant Workers 6d, Minnesota, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., p. 85.

children are supported by funds provided through the Office of Education, U.S. Department of Health, Education, and Welfare.

Southern Illinois University is studying the effect of farm labor performed by nonresidents on the education of their children and how this interference could be lessened.

The University of Wisconsin is studying how to design and test a feasible system of providing education for the children of migrants outside of their home communities. On January 20, 1960, the Wisconsin Legislature passed a joint resolution which affirmed that the State of Wisconsin intended to meet its responsibilities for helping to create, develop, and maintain an effective educational program during regular school periods and during the summer for the children of migrant workers in the State.

Western Michigan University has completed a study to clarify the educational patterns of migrant children in two localities in Van Buren County. The final report entitled "A Study of Migrant Education—Survey Findings in Van Bureau County, Michigan, 1957" can be purchased from Western Michigan University Press, Kalamazoo, Mich., 50 cents a copy.

Trend: Some universities are working on educational problems of the children of migrants.

Question: What are universities in your area doing to find ways of improving education programs for migrants?

Mr. JAVITS. The article relates to the efforts of Oregon, Ohio, Colorado, New York, Michigan, Pennsylvania, and other States, to develop projects in this field. It refers to the work of the Southern Illinois University and the University of Wisconsin.

It seems to me that all these efforts, including those in my own State of New York, reveal that children do attend summer school, and it seems to me they indicate that there is a market for what we are talking about.

Mr. TOWER. Mr. President, many needs exist throughout the United States, but merely because there is need does not necessarily mean that it is the Federal Government's responsibility to fulfill that need. I think we have reached the point where our people have been actually reduced, over a period of years, to a state of dependency on the National Government, and we have come to think that it is the Federal Government's responsibility to afford a minimum standard of living for us all. I reject this notion.

Mr. WILLIAMS of New Jersey. Mr. President, I yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1124) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. WILLIAMS of New Jersey. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL CITIZENS COUNCIL ON MIGRATORY LABOR

Mr. WILLIAMS of New Jersey. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 674, Senate bill 1132.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1132) to provide for the establishment of a council to be known as the National Citizens Council on Migratory Labor.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Jersey.

Mr. ELLENDER. Mr. President, as I indicated earlier, I was not aware until about an hour ago that all the bills pertaining to this subject were to be taken up today. There is no objection to the two other bills that have been passed so far. But the one that has been called up now is a very far-reaching bill. I do not know what the cost of the bill to the taxpayers would be. As I see it, it provides for a council of 15 members. It provides for a director to be paid up to $18,000 a year. There seems to be no limitation as to the number of personnel that could be hired by the Council. Consultants could be hired. There is no limitation on such hiring. The fee fixed for consultants is up to $50 a day. As I read section 3 of the bill, the Council shall hold national and regional conferences throughout the country at intervals. There is no limitation as to that point.

The Committee on Agriculture and Forestry is, of course, very much interested in labor matters pertaining to the farm.

I am wondering if my good friend from New Jersey would consent to permit the Committee on Agriculture and Forestry to take a look at S. 1132. I can promise him that we will look into the matter at an early date and report back. I know that our committee has studied some of these problems in the past, and it is my judgment that the Committee on Agriculture and Forestry should have a look at the bill. I would suggest to my friend that that be done.

Mr. WILLIAMS of New Jersey. The Department of Agriculture has been heard from.

Mr. ELLENDER. I understand.

Mr. WILLIAMS of New Jersey. They do not oppose the bill. It creates a National Advisory Council to advise us on the problems of migratory workers.

Mr. ELLENDER. The Committee on Labor and Public Welfare has made a study of it, has it not? As a result of that study the committee is presenting several bills today. Is that correct?

Mr. WILLIAMS of New Jersey. That is correct.

Mr. ELLENDER. Why create a Council which will delve into the matter further and which will issue, as I understand, under section 5 of the bill, reports in the nature of propaganda. At least, that is the way I look at it.

Mr. WILLIAMS of New Jersey. Mr. President will the Senator yield at that point?

Mr. ELLENDER. I yield.

Mr. WILLIAMS of New Jersey. There will not be any propaganda involved. There would be findings of fact and statements of honest opinion. Representation on the Council would be broad and comprehensive and would be complete. It would not be stacked or loaded in any direction. I am sure that the people comprising the Council, gathered from various groups with deep interest in the matter, would not be propagandizing the situation, but would be helping us to understand the problems, so that we could more effectively deal with them.

Mr. ELLENDER. I read from section 5:

> From time to time the Council shall issue information relating to migratory agricultural labor, in the form of publications or otherwise, for the use of the public generally, and for the use of persons and institutions engaged in work relating primarily to migratory agricultural labor.

That gives power to the Council which is not usually given. It may be all right for a council to hold hearings here and there and report to the President. However, here we would be creating machinery by which hearings could be held in various parts of the country. I can visualize some more news films being put out because of the certain findings that the Council might make.

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

Mr. ELLENDER. I yield.

Mr. TOWER. I point out that there was created by Executive Order 1089 of November 1960, a Presidential Interdepartmental Committee on Migratory Labor, which has, in essence, the same functions as those which would be given to the Council to be created by the bill.

Mr. ELLENDER. That was Executive Order 1089. That is a further reason that I advance to my good friend for having the Committee on Agriculture and Forestry take a look at the bill. We would be creating a more or less permanent commission or committee here.

Mr. WILLIAMS of New Jersey. It is not more or less permanent. It is limited.

Mr. ELLENDER. Five years is quite a long time.

Mr. WILLIAMS of New Jersey. It is less time than the Senator's term.

Mr. ELLENDER. I understand. What does the Senator expect the Council to do that cannot be done or has not been done by the committee appointed by the President?

Mr. WILLIAMS of New Jersey. The committee appointed by the President, as the junior Senator from Texas has said, is an interdepartmental committee for advising the President. It is in the executive department. The administration approves of the establishment of the Council that is provided in the bill. The proposed National Advisory Council would not be in the executive machinery. Its membership would be drawn from private life. It would allow us to get people at the grassroots who know the problems—farmers, workers, health officials, educators, who live day in and day out with migratory workers and their problems—to get together and exchange information and to advise us. This is a very modest program, involving only one staff director at a salary of up to $18,000 a year.

I would find it much more effective and more efficient to stay here in Washington and have these people, drawn from all over the country, to advise us here. It would save money, too. Our committee budget would be saved a very substantial increment from engaging in further study across the country, because we have not, with these bills, unlocked all the problems. We still know that this is the most depressed economic group in the Nation. We are not today dealing with wages. We are not dealing with many things today. Much will remain to be done even if all the bills are passed today. I do not see why we should not have the opportunity to advice from the workers and the growers and other people who are knowledgeable in this field.

Mr. ELLENDER. The Senator well knows that once these commissions or committees are formed there is hardly any end to them. It is true that this Council will be limited to 5 years. However, I can see at the end of 5 years the Senator saying. "There is much more to be done. We ought to further extend it." It strikes me that the executive branch has this committee already appointed, which can be of service.

Mr. WILLIAMS of New Jersey. Not this committee.

Mr. ELLENDER. No; I am speaking about the one created by Executive Order 1089. I am sure that the subcommittee headed by my distinguished friend from New Jersey will be before the Senate next year for some more money to continue its studies of migratory labor. Here we would establish a council composed of 15 people, who would be forced by the act, as I understand, to hold conferences. There would be a number of consultants engaged also, and the number of these consultants is unlimited. The number of people the Council can employ is unlimited. The amount to be paid the consultants is $50 a day. This Council could grow into quite a large bureau, maybe even a little bureaucracy.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS of New Jersey. Could the Senator from Louisiana suggest an amount of money that he might consider ample to meet the expenses of such a commission?

Mr. ELLENDER. If the Senator will permit us to take a look at this matter, I would appreciate it. We are interested as well as the Senator is in these problems. It affects the Committee on Agriculture and Forestry. The committee has had a great deal of experience in this field. I would certainly like to have the committee take a look at the matter, to see what can be done about it.

Mr. TOWER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. TOWER. Does it also occur to the Senator from Louisiana that the makeup of the committee seems to be weighted very much against the farmer?

Mr. ELLENDER. As I understand, only three members represent farmers. That would leave 12 who are nonfarmers. I can well see that if a Council is to be created, various segments of the problem ought to be represented. I can see that.

I ask the Senator from New Jersey to let the Committee on Agriculture and Forestry consider this bill. I do not wish to argue or offer amendments which would minimize the work of the Council. If the Senator will agree to let the Committee on Agriculture and Forestry consider the matter for a stated period of time, we shall be glad to do so.

Mr. TOWER. Mr. President, will the Senator from Louisiana further yield?

Mr. ELLENDER. I yield.

Mr. TOWER. I support the suggestion of the distinguished Senator from Louisiana. Certainly the poor farmer, who is not in such good financial condition these days, has a vital stake in the outcome of the proposed legislation. I think the Committee on Agriculture and Forestry should have the privilege of considering the proposal and considering it from the standpoint of how it will affect the farmer. So I lend my support to the suggestion of the Senator from Louisiana.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. This is one of the measures to which I referred earlier this afternoon, when I said there were some bills in the whole group to which I did not agree. This is one that was not even discussed at any meeting which I personally attended. It seems to me the Committee on Agriculture and Forestry should consider it under a time limitation which would be reasonable, because it appears to me that a tremendous organization is contemplated. The bill provides that each member of the Council shall be entitled to receive $50 a day for his attendance at a meeting, including travel time, and including attending at least one national meeting a year, and as many regional meetings as they may wish to attend.

Among other items is a provision for an $18,000 salary for a staff director.

It seems to me that this is a proposal which the people who are most affected ought to have a chance to examine. I hope the bill may be referred to the Committee on Agriculture and Forestry.

I remind the Senate that, as a member of the Committee on Agriculture and Forestry, although not serving as such, I attended two conferences with the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Virginia [Mr. BYRD], who was there as chairman of the Committee on Finance. Some of the bills were before the Committee on Finance. I recall also that another meeting was attended by my legislative assistant when I could not attend. Perhaps there was more than one.

We who are interested in this problem have tried to be cooperative. This is one of the bills with which, as written, I am not in accord. There is another bill, on child labor, with which, as written, I am not in accord. I have tried to be completely cooperative. I have not opposed the three bills which have been passed. I supported two of them actively on the floor. In the effort to be cooperative, I joined in the introduction of a bill relating to the nursery program and also one with respect to the housing program. I think it is time for some cooperation from the other end of the street.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS of New Jersey. The Senator from Louisiana has described an understandable and legitimate interest in studying more thoroughly, within a period of time, the proposal to which I have moved to proceed. I am willing to withdraw my motion to proceed to the consideration of Calendar No. 674, S. 1132, and to suggest that for a week the Senate not proceed to its consideration. That would give the Senator from Louisiana time to look into and think further about the bill.

Mr. ELLENDER. Would the Senator from New Jersey agree to have the bill referred to the Committee on Agriculture and Forestry, conditioned on the committee reporting the bill back, say, a week from today?

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I hope the Senator in charge of the bill will give the proposal the consideration which it merits. After all, he and his committee have spent much time on the bill. I think he is being quite generous in agreeing to postpone the consideration of the bill after it had been announced, not only on yesterday, but also several days previously, that it would be brought up today. I should think that a week's time would be more than fair. It would mean a delay in the consideration of the bill which was slated for action today. That would provide the chairman and the other members of the Committee on Agriculture and Forestry all the time they need to consider the proposal.

I hope that just as the distinguished Senator from Florida [Mr. HOLLAND] has shown cooperation, in spite of his opposition to certain proposals, the distinguished Senator from Louisiana, with his usual courtesy and graciousness, will do the same thing.

Mr. WILLIAMS of New Jersey. As I understand the suggestion of the majority leader, it is that the bill be held on the calendar, but not be taken up for a week, so as to give the distinguished Senator from Louisiana, the chairman of the Committee on Agriculture and Forestry, a chance to consider it.

Mr. ELLENDER. I had hoped that the Committee on Agriculture and Forestry might perhaps call in some witnesses to testify. We have a special subcommittee which would consider this proposal. However, we should like to have the bill before our committee.

Mr. MANSFIELD. The Senator from Louisiana could, of course, call in witnesses on this subject. He could have the bill, a copy of which is on the desk of every Senator, before his committee for consideration. However, I hope he will not push his point too far.

Mr. ELLENDER. As I suggested to the Senator from New Jersey, I would agree to report the bill back next Friday. I do not wish to hold hearings, which might result in the chairman having to pay for the hearings. The bill will have to be before us, as I understand, before hearings can be held.

Mr. MANSFIELD. I am certain that neither the chairman, nor, for that matter, any member of the committee, would have to pay for any hearings which would be conducted; but I hope that a degree of consideration will be shown. I fear that if what is being asked with respect to Calendar No. 674, S. 1132, were to be allowed, the first thing we know, Calendar No. 673, S. 1123, to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such act, and other measures, would be referred to the Senator's committee, and that bills of other kinds would be referred to other committees. In that way, the due procedures which are proper in the Senate would, I think, be carried to extreme lengths. I hope that the proper procedure will prevail.

Even though this particular proposal has not yet been laid before the Senate, because Senators decided to do some talking about it before that act was performed, it was agreed earlier this afternoon, by those who are interested in this proposal, that there would be an hour's limitation, one-half hour to be allocated to each side.

I hope it will be possible to proceed to the consideration of the bill; or if that is not possible, that the Senator from Louisiana, the Chairman of the Committee on Agriculture and Forestry, will agree to the proposal for a postponement on the basis of the suggestion made by the Senator from New Jersey [Mr. WILLIAMS].

Mr. ELLENDER. Mr. President, I certainly am not qualified at the moment to discuss the bill as it ought to be discussed. I should certainly like to have the Committee on Agriculture and Forestry consider it, because that committee has studied problems of this kind before. It strikes me that we ought to have such an opportunity at least. Since the Senator from New Jersey will not agree to have the bill committed to the Committee on Agriculture and Forestry, I will accept the proposal to postpone action until at least a week from today, in order to afford the committee an opportunity to study the bill.

Mr. WILLIAMS of New Jersey. I wonder if the Senator from Louisiana will not agree that we are, as the majority leader has suggested, simply following the orderly procedures of the Senate. Many bills are referred to committees when other committees have an interest in them. Many bills which come under the jurisdiction of one committee are of considerable interest to other committees, of course.

I hope the Senator understands that, by postponing for a week the further consideration of the bill, pursuant to the request, he will have full and adequate opportunity for the purposes of the study he has in mind.

Mr. MANSFIELD. Mr. President, will the Senator from New Jersey yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. MANSFIELD. Mr. President, I believe that both the Senator from New Jersey, the Senator in charge of the bill, and the Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, are willing to act in accord with the suggestion which has been made, namely, that consideration of Calendar No. 674, Senate bill 1132, to provide for the establishment of a council to be known as the "National Citizens Council on Migratory Labor," be postponed for no longer than 1 week, with the proviso, as I understand, that it can be brought up again by next Friday.

Mr. WILLIAMS of New Jersey. That is correct.

The PRESIDING OFFICER. Does the Senator from New Jersey withdraw his motion to have the Senate consider the bill?

Mr. WILLIAMS of New Jersey. I do.

The PRESIDING OFFICER. The motion has been withdrawn.

EXEMPTION OF AGRICULTURAL EMPLOYEES FROM CHILD LABOR PROVISIONS

Mr. HOLLAND. Mr. President, I realize that the Senator from New Jersey [Mr. WILLIAMS] probably is preparing in due course to move that the Senate proceed to the consideration of Calendar No. 673, Senate bill 1123, to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such Act. I think the bill comes exclusively within the jurisdiction of the Committee on Labor and Public Welfare, because it proposes an amendment of the Wage and Hour Act. So there cannot be any disagreement on that score.

However, I am greatly concerned with a completely novel provision of the bill; namely, the one to make the employers of children in agricultural labor absolutely liable, regardless of any defense—there could be none—for any injury or for death "arising out of or in the course of such employment."

It seems to me that to visit so drastic a penalty upon the employers of child agricultural labor—a more drastic penalty than that visited by any other Federal law upon any other employer of children—would be manifestly wrong and indefensible.

I am sure this situation has come into being without a realization of the very great and prejudicial departure proposed by means of this amendment.

Mr. DOUGLAS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. Is the Senator from Florida directing his remarks to Calendar No. 675, Senate bill 1124?

Mr. HOLLAND. No; I am addressing my remarks to Calendar No. 673, Senate bill 1123.

Mr. DOUGLAS. Has Calendar No. 673 been passed?

Mr. HOLLAND. No, it has not been passed. Of the five bills which were scheduled to be brought up at this time, it is the only one which has not yet been considered by the Senate. Three of the bills listed have been passed. Two were passed with my active support; the other was passed without active objection from me.

But in Senate bill 1123, on page 2, beginning in line 14, will be found a completely novel proposal to visit liability upon an employer of agricultural labor. Let me say this bill permits the employment of minors under certain conditions, and at certain distances from their homes, and would give them certain advantages.

But I now wish to read the provision which would visit upon farmers more drastic liability than that visited upon any other employer group in the Nation. This provision appears on page 2, beginning in line 14:

> (d)(1) Except as provided in paragraph (2), the employer of any employee under the age of eighteen who is (A) employed in agriculture, and (B) engaged in commerce or in the production of goods for commerce, shall (unless such employee is his own child or a child with respect to whom he stands in the place of a parent) be liable, regardless of fault, in money damages for disability or death of the child arising out of or in the course of such employment.

The amount of damages to be recovered is then stated to be that set forth under State law, and the like.

The Wages and Hours Act does not contain a similar provision; neither does any other act, so far as we can ascertain.

I have asked the Legislative Reference Service of the Library of Congress to attempt to ascertain whether any provision so drastic already has been enacted into any Federal law, but it could not find any applicable to any other employer or any other group of employers in the Nation.

Mr. ALLOTT. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. ALLOTT. In view of what the Senator from Florida has said, is he aware of any statue—and I state frankly that I have never been aware of any such statute—which would make a person liable for a tort, without regard to whose fault the accident was?

Mr. HOLLAND. I do not immediately recall any such statute. There may be such; but I addressed such an inquiry to the Library of Congress, and asked them to check on this matter; and they reported to me that they could not find any such provision in any Federal law. Similarily, my legal staff was not able to find any such provision of law. Certainly the Wage and Hour Act does not contain any provision visiting any such heavy degree of liability upon any other group of employers.

Mr. DOUGLAS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. Is it not true that in the main the workmen's compensation laws are State laws? As I understand those laws, the great change which they introduced, as compared with the common law, was that whereas the common law imposed liability only if the employer was at fault and was not excused by the various common-law defenses, the essence of the workmen's compensation law is that if the accident occurs in the course of employment, then, regardless of actual responsibility, the legal responsibility is lodged upon the employer where the accident occurred. This is justified for three reasons: First, it avoids suits as to the comparative responsibility; second, it is the best point at which to lodge the responsibility with a view to reviewing accidents; and, third, because the responsibility thus is placed on the person who is best able to provide compensation.

Mr. HOLLAND. Mr. President, the Senator from Illinois is correct in some of his statements, but not in all of them. There are at least two Federal workmen's compensation laws. One deals with Federal employees generally. The other deals with maritime employees like longshoremen and harbor workers.

My point is that after permitting the employment of children in agriculture under certain conditions, this measure would impose on the farmer much greater responsibility, and would assess it against him regardless of fault—for instance, if a child died from a bee sting received while he was hoeing, or received a self-imposed injury, due to his own carelessness, while hoeing. I do not believe that was the intention of the committee, because this provision would impose a heavier degree of liability than that imposed upon any other employers of children, in an occupation which is exempt from almost all provisions of the Fair Labor Standards Act.

Mr. JAVITS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JAVITS. I do not think we have yet reached a stage of disagreement or difference; I believe we are now attempting to ascertain the facts. Does the Senator find the formula set forth on page 2, in line 1, in regard to the responsibility arising from the course of such employment, different from that the normal standards imposed by the Workmen's Compensation Act?

Mr. HOLLAND. I have not had an opportunity to compare the two; but I suspect that this formula is quite like that to be found in the Workmen's Compensation Acts; and I notice later in the bill a provision authorizing application of the Workmen's Compensation Act. But that is no remedy at all for a small farmer remote from knowledge of the Workmen's Compensation Act provisions or from persons selling workmen's compensation insurance.

To impose this kind of requirement upon small farmers all over the Nation I think is something the Senate would not want to consider doing.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of New Jersey. I am sure the Senator is aware that in his State of Florida the representative of the Fruit & Vegetable Growers Association advised us that over 75 percent of the farmers and growers now have workmen's compensation insurance. All we do here is create a liability, which can be discharged through the workmen's compensation statutes of the various States and the insurance programs that most people avail themselves of under those statutes.

Mr. HOLLAND. There is no doubt that would be an adequate handling for the employer of a large amount of labor, or the large farmer who thinks about the matter of getting workmen's compensation insurance and can afford to pay it; and there is likewise no doubt that the very association which the Senator mentioned, the Florida Fruit & Vegetable Association, has complained bitterly against this provision of this bill to me. They say the average small farmer would be left without a remedy, and generally he would be without knowledge of the fact that he was subject to some liability until some child stubbed his toe, or got stung by a bee, or got hurt as a result of a fall out of a truck which was carrying him to a field where he was going to pick beans, or another accident occurring in the course of his employment.

The Senator from Florida may be the only Senator who feels that way, but I could not possibly give my consent to passing a bill of this kind which would visit such a penalty upon small farmers all over this Nation, when I know perfectly well that most of them will not know how to protect themselves, and even if they know how, many will not be able to protect themselves financially.

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

Mr. HOLLAND. I yield.

Mr. ALLOTT. I want to say to the Senator from Florida that he is not the only Senator on the floor who feels that way. We have spent years and years talking about the plight of the farmer. I have lived in a farming community for the last 30 years of my life. I think I know a little of the farmer's problems and the tough time he has facing up to increasing costs of his equipment and everything else he buys.

In my own State, for many years the workmen's compensation law required that an employer must have eight or more employees to come under the law. I believe the number required has been lowered somewhat, but I am not in a position to say offhand what the number is. But in a case like this, the family farmer, who works his own land, with perhaps the aid of a neighbor who helps him and who trades work with him, and with the help of their half grown boys, in putting in or getting out his his crop, would be absolutely at the mercy of almost anyone, under the provisions of this bill. If, for example, his neighbor happened to be a person who was wholly unscrupulous, and his child was injured while helping, he could absolutely wipe the farmer out of his land and everything else.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield so I may reply to that point?

Mr. HOLLAND. If the Senator from Colorado has concluded, I shall be glad to yield.

Mr. WILLIAMS of New Jersey. I wish to make a comment at that point. What we are trying to do is cover a liability with workmen's compensation. Workmen's compensation programs provide schedules for disabilities which limit liability—far from wiping the farmer out. If the farmer does not have workmen's compensation, and if a youngster who is an employee gets hurt, the employee can bring a suit under the common law. The case goes before a jury. If the boy had lost an arm and I were in the employer's position, I would much rather be subject to a workmen's compensation schedule limited by the law than be liable for an unlimited jury finding.

Mr. ALLOTT. I know exactly what the Senator is trying to do. I am under no disillusionment as to what the Senator is trying to do.

Mr. WILLIAMS of New Jersey. Then the Senator should be in favor of this bill.

Mr. ALLOTT. I am opposed to it. In the first place, I do not believe in bringing every farmer of the United States under the Federal laws and having him irked and whipped, as he will be, by inspections and by the payment of fees to a Federal workmen's compensation system.

Mr. WILLIAMS of New Jersey. This bill relies completely on the State workmen's compensation systems.

Mr. ALLOTT. The farmer would not pay under the State system unless the State law so provided.

Mr. WILLIAMS of New Jersey. All States except Alabama provide for it, and I have an amendment prepared to cover this exception.

Mr. HOLLAND. Mr. President, my understanding—and I have had no chance to make a survey of it—is that some States do not provide for workmen's compensation insurance for agricultural workers. I do not make any statement as to how many States do or do not have such laws, but I understand there are some that do not. But quite entirely aside from that question, workmen's compensation insurance is designed to take care of industrial risks and risks of large operations where there are sizable numbers of people employed and where employers have means to protect themselves, as well as knowledge of and contact with insurance firms from whom they can purchase workmen's compensation insurance.

I have not heard anybody even suggest heretofore, and I am surprised to find anyone suggesting, that workmen's compensation be adopted as a method to be followed in protecting the small farmers throughout this Nation in the employment of child workers that would be permitted by this bill.

Let me for a moment read from this bill. The exemption from the ordinary provisions of the bill will be found beginning at the bottom of page 3 of this bill, at line 22, and going over onto page 4. I simply read the classifications of the children working in agriculture outside school hours who are covered by the exemption:

(A) Employed by his parent, or by a person standing in the place of his parent, on a farm owned or operated by such parent or person—

That particular class, and only that class, is exempted from this absolute liability provision—

(B) Is 14 years of age or over—

So this permits the employment of children 14 years or over in agriculture outside school hours—

(C) Is 12 years of age or over and is employed on a farm within the county of the employee's permanent residence or within an adjoining county, but not more than 25 miles from the employee's permanent residence.

It is quite obvious that most child labor in agriculture outside school hours is permitted by the bill, but the possibility of using such labor will be cut off by this provision which, when it becomes generally known and understood by farmers, will cause many farmers, the very farmers who need and have customarily hired the children of their neighbors in making a crop to avoid giving those children this means of earning money. This is because they will not know how to purchase workmen's compensation insurance.

They do not have the means to do it. They do not have the contacts to do it. I have never before heard the suggestion that small employers of that kind should be required to secure workmen's compensation insurance.

Mr. WILLIAMS of New Jersey. Madam President, will the Senator yield?

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Does the Senator yield?

Mr. HOLLAND. I wish to make one additional statement.

The reason I bring this up at this time, prior to the making of a motion to consider the bill, is that it is apparent we are to be delayed a week while the Committee on Agriculture and Forestry considers the other bill. I do not know what we can suggest by way of amendments. I have not come up with any suggestion which I think would be appropriate or adequate to deal with the situation. To work out a solution, I suggest that the Senator agree to have the bill come up a week from today. I will agree, so far as I am concerned, to have no objection to its being considered at that time. That will give us an opportunity to study the problem. It will give us an opportunity to advise with counsel for the various farm organizations, and perhaps get somebody to work out a tolerable amendment.

I think I understand what the Senator seeks to do. If the Senator would properly limit the application of the workmen's compensation laws to employers of a certain size, to those employing a certain number of employees, I might be willing to accept it. There is no such limitation provided.

It seems to me we could not properly proceed in this way. I do not believe one Senator, realizing the effect, including the Senator from New Jersey would wish to impose such a penalty upon every small farmer in the Nation.

Mr. WILLIAMS of New Jersey. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of New Jersey. What the Senator suggests is a delay so that we may talk to farmers and growers and work out the problem. I must say, that has been done. That is what we have done in the Subcommittee on Migratory Labor and in the full committee. That is what we have done in informal meetings with the Senator and his staff. Perhaps the Senator was not present.

Mr. HOLLAND. Not for this bill.

Mr. WILLIAMS of New Jersey. This bill was considered when we gathered around the table with the senior Senator from Virginia. The Senator's assistant was present. Mr. Triggs of the American Farm Bureau Federation was present. Other representatives of other growers were present. Some gentlemen from Virginia were present. We labored and labored and labored, and this was the final conclusion.

I will say that in the original form the bill I introduced in February, and the bill introduced by the senior Senator from New York, did not have this type of a provision providing for liability and the discharge of liability under the workmen's compensation statutes of the various States. In the original bill we gave the Secretary of Labor the authority to define those areas which were particularly hazardous, which would be under the reach of the child labor laws. This appeared to involve a cumbersome national program of having inspectors going to the farms all over the country.

With the help of the committee of the other body, we evolved this provision as the best and most efficient means of meeting the problem of the injured youngster and getting him covered by workmen's compensation insurance in the same manner that other employees outside of agriculture are covered.

I am appalled by the thought that we should not insure our risks and cover with workmen's compensation the youngsters employed in agriculture between 12 and 18, when everybody else in industry is covered. Agriculture is the third most hazardous industry, by all statistics, in our country. Behind mining and construction comes agriculture—not manufacturing.

Mr. HOLLAND. I know the Senator wishes to have the RECORD clear. This bill was not discussed at any meeting attended by the Senator from Florida. This bill, as I understand from my legislative assistant, was discussed at a later meeting attended by the Senator from New Jersey, the Senator from Virginia, and others. Our adviser from the Florida group, Mr. Morefield, was not present and did not attend that meeting. Apparently he did not know of this change in the provision, which apparently took place after that meeting. Am I correct in that understanding?

Mr. WILLIAMS of New Jersey. The Senator's very able assistant was present when this matter was discussed.

Mr. HOLLAND. My own feeling is that to be given a week is a small request to be made by a Senator who feels deeply affected by the proposal, and who has been very cooperative in the consideration of most of the program, since it will be necessary to consider one of these measures a week from now anyway. That would give us an opportunity to work out a more satisfactory approach to the problem.

Mr. JAVITS. Madam President, I suggest the absence of a quorum.

Mr. HOLLAND. Madam President, I do not yield for that purpose. I have the floor.

Mr. JAVITS. I did not realize that.

Mr. HOLLAND. I understood the Senator from New Jersey was conferring with the majority leader.

Mr. MANSFIELD. Madam President, do I correctly understand that the Senate is still considering Calendar No. 673?

The PRESIDING OFFICER. No motion is pending. The Senator from Florida has the floor.

Mr. HOLLAND. Madam President, I made these remarks, which I thought would be shorter than this, prior to the making of a motion to consider the measure. Frankly, I was surprised to learn of the severity proposed in the bill. I have moved as fast as I could to have the statutes searched, both in my own office and in the Library of Congress. I find no precedent like this applicable to children engaged in labor. Certainly there is none under the Wage and Hour Act, which has other provisions applicable to the employment of children.

For instance, the next subsection has to do with employment of children for the delivery of newspapers, and there is no such language as is proposed, visiting absolute liability upon the employers in that case. I do not think the Senate will wish to single out the farming population and to say that they alone should be under such a provision. If that is the judgment of the Senate, after we have had an opportunity to study the problem and after we have had an opportunity to make such suggestions for amendment as we deem appropriate, of course I shall bow to the Senate's judgment.

Mr. COOPER. Madam President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Kentucky.

Mr. COOPER. I discussed this problem a few minutes ago with the distinguished Senator from Florida and also briefly with the Senator from New Jersey. I believe and hope that this may be given further consideration, so that the Senate and Senators will have time to study the provision.

I think all of us are moved by humanitarian motives and instincts to protect minors, and certainly to protect the young men and women of the ages mentioned in the bill.

I think that protection might be obtained in many ways. It could be obtained by setting up certain requirements for safety and so forth upon the farm, to which the farmer would have to adhere. It might be that the Senate, after consideration, will say, "You shall apply a law of total responsibility to the farmers."

I must say I do not know of any other situation in our law which applies that rule. Even under the Workmen's Compensation Act, I do not not know that that rule is applied to an employer if he does not come under the Workmen's Compensation Act.

Even if we accept the idea of total liability without regard to negligence on the part of the farmer, there is a further defect in the bill. The only way a farmer could protect himself would be to put himself under the Workmen's Compensation Act, yet it is provided that he must do it within 60 days.

Whatever point of view one takes, we all have great regard for the work which has been done, and we are in sympathy with the purposes of the measure.

I believe, as to the broad step, we should have some time to consider its effect and to study it.

I make this suggestion merely to meet what the Senator is trying to do, and also with recognition that there are greater duties upon farmers and other persons with respect to minors and with respect to those who have low wage practices.

Mr. HOLLAND. Madam President, I thank the Senator from Kentucky. I confirm the fact that we did confer on the subject the Senator from Kentucky mentions a few minutes before this colloquy started, which is insufficient time to advise the agricultural community throughout this Nation of such a drastic proposed change in law. I thoroughly concur with him that more time should be given.

Mr. ELLENDER. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. ELLENDER. As I understand, the RECORD shows that last week it was announced that S. 1124 and S. 1130 would be taken up, but as to the bill that we are now discussing and the other bill that was postponed, announcement was made as to them only yesterday. The bills to which I have referred were reported from committee on August 9. I believe the request made by the Senator from Florida is a legitimate one, and the Senator from New Jersey ought to be in accord with it.

Mr. WILLIAMS of New Jersey. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of New Jersey. We know that we are dealing with a difficult area. When we started with the subcommittee 2 years ago, I had the attitude—and I know my good friend the senior Senator from New York did also, as did other members of the committee—that we would go about our work quietly and, we hoped, effectively.

We were not going to move with emotion and sensation. We never have.

Mr. HOLLAND. Madam President, the Senator is certainly correct. As I have said repeatedly, and I do so again, I pay tribute to the kindly and considerate way in which the Senator from New Jersey has handled matters.

Mr. WILLIAMS of New Jersey. In our efforts during the last months, particularly, we have had the benefit of the counsel of the senior Senator from Florida hour after hour. I could not express adequately the contribution which he has made to our deliberations.

Mr. HOLLAND. I thank the Senator.

Mr. WILLIAMS of New Jersey. At this time, if the senior Senator from Florida wants us to postpone further consideration of this measure in order to give more study which will allow us to deal more effectively with the problem of youngsters injured in agriculture, I would be the first to feel that he has every legitimate right to ask for it.

Mr. HOLLAND. I thank the Senator from New Jersey most gratefully. Does the majority leader wish to be recognized?

Mr. MANSFIELD. I should like to have the floor when the Senator finishes.

Mr. HOLLAND. I yield the floor, after thanking the Senators involved in the handling of the bill.

Mr. JAVITS. Madam President, I agree with the Senator from New Jersey that one would not wish to precipitate action in view of the deep feeling of the Senator from Florida. We are making no grandstand play about the humanitarian aspects involved. We all understand that aspect. It is basic to our discussion. Would it not be useful, however, if the Senator from New Jersey should make a part of the RECORD an analysis of the workmen's compensation statutes of the various States which have been researched in order to demonstrate whether such compensation is or is not available. The question also has a bearing—and this worries me, too—upon the effective date. We have had some views from the American Farm Bureau Federation, for example, expressing great concern about the date of applicability. I suggest that, in view of all those considerations, we would all be helped by having made a part of the RECORD a careful analysis of the existing state of the workmen's compensation laws in all 50 States.

Mr. HOLLAND. Madam President, I approve the suggestion. I hope that course will be followed by the Senator from New Jersey and his staff. I also request the Senator from New York [Mr. JAVITS] and the Senator from New Jersey [Mr. WILLIAMS], as able lawyers, much more closely in touch with this whole field of operations than I am, to cudgel their brains a bit to see how we can get out of this situation, because neither of them would want to have imposed this particular condition upon a small farmer employing two or three children.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JAVITS. I think we must give priority to protection of children. I am sure everyone would agree with that statement. In my own State it happens that anyone who employes more than two people, even domestic help, is required to obtain workmen's compensation. That may not be the universal rule.

Also in my own State workmen's compensation is easily available. They even have a State agency to insure risks that find it difficult to get insurance otherwise.

Again that may not be true elsewhere. But one thing is sure. Recognizing the need and the fact that we must take some real action with respect to child labor in order to protect children, we shall also have to architect the practical provisions, and so I hope we shall use the time effectively.

Mr. HOLLAND. I thank both Senators.

Mr. MANSFIELD. Madam President, I thank the distinguished Senator from New Jersey [Mr. WILLIAMS] for the courtesy and graciousness which he has shown. They are his hallmark and always have been.

I also thank the Senator from Florida for making it very clear that the proposal which we were almost on the point of considering was not something which he, under any stretch of the imagination, thinks should have been referred to the Committee on Agriculture and Forestry as was proposed for the previous matter.

I also thank the Senator from Louisiana [Mr. ELLENDER] for agreeing to accept a week's delay in the consideration of the measure so that, if possible, it can be considered next Friday.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I would not want the RECORD to be clouded on this subject. I thought the previous measure was of such a nature that it could with all propriety be referred to the Senate Committee on Agriculture and Forestry. But I do not think that is the case with reference to the measure which we are now talking about, the child labor amendment to the wage and hour law.

Mr. MANSFIELD. That is what I was trying to say. I am glad that the Senator from Florida has reinforced my statement.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Madam President, for the information of the Senate, and after discussion with the distinguished minority leader, I make the following announcement: If action can be completed upon the pending business, and if consideration of Calendar No. 685, H.R. 4785, relating to withholding for State employee retirement disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard; can be completed. Calendar No. 665, H.R. 6765, to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock; Calendar No. 712, H.R. 2883, an act to amend title 28 entitled "Judiciary and Judicial Procedure" of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment and for other purposes; Calendar No. 730, S. Res. 141, a resolution to express the sense of the Senate on time for holding national conventions for nominations of President and Vice President; and Calendar No. 743, H.R. 3596, an act to direct the Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros., can be completed, it is anticipated that the Senate will adjourn until Monday.

This is not a carrot, or a series of carrots, being held out. We have made fairly good progress. Most of the proposed legislation remaining is not controversial, and if we can complete the work within a reasonable period—say between 6 and 7 o'clock tonight—it is the intention to go over until Monday.

CENSORSHIP, FRUSTRATED NATIONAL POLICIES, AND GAGGING OF MILITARY ANTI-COMMUNIST STATEMENTS AND SEMINARS

Mr. THURMOND. Madam President, since the mid-1940's it has been the policy, aim, and goal of international communism to weaken by any method, ruse, or device the economic, political, and moral structure of the United States of America.

Since 1951 the Soviets have streamlined their contacts with foreign agents and sympathizers. This new system makes the detection of Communist agents extremely difficult. The primary interest of the Soviets is information to be forwarded to the Soviet policymakers. Military and technical intelligence are secondary. A Communist Party member or sympathizer in a policy control position will be contacted only occasionally by MVD experts. His job is to hold his sensitive position in order to influence policy in favor of the Communists. He will assist another Communist or sympathizers to retain their positions or to be shifted or elevated to other sensitive spots. These methods, combined with techniques of psychological warfare, are the principal Communist weapons of attack against us internally.

The expertise of the Communists is attested to by our experience with years of frustrated policies.

Many of our policy decisions when examined must be attributed to our conditioned reaction to stimuli administered as portions of the Communist attacks of psychological war. In order to recognize the ideas still being fostered upon us, we must examine those concepts which the Communists are still feeding us as a part of their total war upon our existence. These ideas are systematically and invariably fed by international Communist psychological warfare organizations into our official estimates and policy statements by innumerable means. These ideas have been, and are, responsible for the frustration of our attempts to combat the Communist menace. Every blow conceived to strike at the heart of communism, if not thereby completely precluded, has been deflected.

Typical of such ideas were those which halted our drive toward victory in the Korean war. Official estimates and policy statements contained the suggestion that "Korea is an inconclusive operation" and that "an aggresive pursuit of our military mission in Korea could lead to general war."

Madam President, it was not inevitable that the Korean war had to be inconclusive; rather it was inconclusive because the information given to us psychologically conditioned us to the assumption that it was inevitably inconclusive. Similarly, we were during the Korean conflict, and for that matter are today, being conditioned to an overpowering fear of general war. Madam President, it should be obvious to us all, as it certainly is to in-depth students of communism, that positive action, even positive military action when the chips are down, by the United States will not precipitate a nuclear holocaust. As Lenin himself expressed it, communism advances "two steps forward, one step backward." The fallacious idea that "Korea is an inconclusive operation" in which "an aggressive pursuit of our military mission in Korea could lead to general war," completely pounded into us by psychological attack, resulted in our frustration in Korea.

Other examples of ideas pounded into us by the Communist brainwashing effort are as follows:

First. The United States should bring about changes in the Sino-Soviet empire by evolution instead of revolution. Such an assumption left, and leaves, the heart of Communist power unmolested, and the Communists free to concentrate on the offensive while we settle for a defensive position.

Second. Soviet vulnerabilities are of such a nature that under present conditions efforts to exploit them vigorously will not contribute to the realization of U.S. objectives. Again, this gives the Soviets a clear field in which to operate without guarding their own backyards.

Third. Ideological motivations are relatively unimportant. This little gem of deception has resulted in halting any concentrated drive against the Marxist-Socialist-Communist conspiracy.

Fourth. The United States must not appear intransigent or too anti-Communist since this might convey the attitude that we are not interested in peace. This concept is designed to insure that we remain forever on the defensive. In it lies the seed of unilateral disarmament, and the scrapping of the B-70 program to give the appearance of peace seeking.

Fifth. There is no reliable intelligence available that an international Communist conspiracy exists. This is patently absurd, for such evidence is available to convince us beyond any shadow of a doubt, if we will but open our minds and examine the evidence. The Communists, as did the Nazis, brag continuously about their conspiracy.

Sixth. The time for a rollback of Soviet power is not in the foreseeable future. It would be hard to conceive a more defeatist attitude or one which would more tightly circumscribe any positive action against the heart of the Communist conspiracy in the Union of Soviet Socialist Republics.

Seventh. A present revolt or detachment of a satellite must be ruled out. The acceptance of such fallacious precepts condemns all hope of oppressed people and necessarily embodies complete acceptance of Soviet expansion.

Eighth. The United States should support any established independent Communist regime which appears to defy Moscow. This not only results in our material and moral support of our godless enemy, communism, but ignores the irrefutable efforts of the singleness of purpose of the international Communist conspiracy.

Ninth. The United States should assist any nationalistic Communist leaders to assert their independence of the Kremlin. This idea condemns millions of Yugoslavs and Poles to subjugation at the hands of Communist dictators, and provides the rationale by which we are pressured to grant diplomatic recognition and United Nations membership for Red China.

These are but a few of the policies resulting from Communist psychological warfare directed against us. The effect of these few is devastating. There are many more. I could name 10 more or 10 times 10 more. All are as insidious as the ones I have named, and their cumulative effect can be well titled "Long Years of Frustrated Policy."

Madam President, the psychological warfare of international communism against the United States can only be effective so long as the American people are either apathetic or without complete understanding of the total nature of communism and its methods of operation. It is no surprise, therefore, that when anti-Communist educational activities began to flourish and show signs of catching on around the country, the Communists would commence an all-out counterattack. That counterattack began this year and has now reached a full crescendo. The counterattack takes the form of anti-anti-communism, and is designed to stamp out each and every effort to alert the American people to the Communist menace.

The foremost target of this attack is our Military Establishment. There are two principal reasons why the Communist-originated campaign has been leveled at the military. First, and most obvious, it is in the military officers that the knowledge, which has resulted from intensive study and training as to the nature of the enemy, resides which is available to alert the American public, in and out of uniform, to the total menace of communism. Secondly, and of equal importance, the attack on the military could be camouflaged behind a smokescreen of civilian versus military control. In conjunction with all their other facilities, the Communists have launched the attack with a barrage of psychological warfare. Their successes are a sad commentary on our understanding of our enemy.

As I have previously mentioned on the floor, one effect of this campaign is censorship of the statements of military leaders, which goes far beyond any requirement of security classifications or the insurance of compliance with civilian-made policy, unless we admit in the latter instance that we have adopted the very policies impressed upon us by Communist psychological warfare attacks. What other explanation could there be for censoring the expressions "Communist conspiracy directed toward domination of the world" or "Soviet infiltration menacing this Nation and extending throughout far corners of the globe" or "insidious ideology of world communism"? These expressions, Madam President, are too aptly conceived to stimulate in an audience a desire for further information and study concerning the particulars of the Communist conspiracy and the methods by which it works. Such a desire for knowledge, if fulfilled, could only spell defeat for Communist psychological warfare, and recognition and rejection of the fallacious concepts by which the Communists have so long managed to frustrate our fight against them.

The success of the Communist campaign is apparent elsewhere, particularly in the cancellations and postponements of anti-Communist seminars in which the cooperation of military personnel, or use of military facilities, has been scheduled.

In the last few days there have been numerous press reports of postponements or cancellations of such seminars. Among them are ones scheduled for Fredericksburg, Va.; Fort Benjamin Harrison, Ind.; Glenview Naval Air Station, Ill.; Fort Sam Houston, San Antonio, Tex.; and Shreveport, La. Madam President, I ask that articles which report such actions and published in the Washington Post of August 24, the Richmond, Va., News-Leader of August 22; the Chicago Daily News of August 4; La Prensa of San Antonio, Tex., of August 3; the Indianapolis News of August 18; the Shreveport Journal of August 14; and the Richmond Times-Dispatch of August 24, be printed in the RECORD at the conclusion of my remarks.

(See exhibit 1.)

Mr. THURMOND. Madam President, how much longer will we, or, for that matter, how much longer can we, submit docilely to Communist psychological warfare? How much more will we limit the use of our sole weapon against such psychological war—the understanding by Americans of communism and its methods? We are busy sowing the seeds of our own defeat, and the harvest will soon be at hand. It will be a Communist harvest of our lives and liberty. Who will rise now to stay the hand with the hammer and sickle?

EXHIBIT 1

[From the Washington Post, Aug. 24, 1961]

FULBRIGHT TIED TO ROW OVER CAMP SEMINAR

FREDERICKSBURG, August 23.—Postponement of a seminar for Maryland and Virginia National Guardsmen was attributed yesterday to a too-heavy training schedule amid protests that Senator J. W. FULBRIGHT, Democrat of Arkansas, had helped sabotage the anti-Communist indoctrination session scheduled here for Friday.

Maj. Gen. William C. Purnell, commanding the 29th National Guard Division currently in training at nearby Camp A. P. Hill, said the proposed seminar "will be held later in the fall, when summer training problems are out of the way."

General Purnell said it was his decision not to hold the seminar at this time "when it became apparent that the subject had become a controversial one in the interval since the division's training program was published a number of weeks ago."

Earlier in the day, W. C. Daniel, president of the National Security Council of Virginia, one of the seminar's sponsors, charged in Danville that a Fulbright memorandum to President Kennedy and the Pentagon was responsible for the Fredericksburg program being called off. The memorandum urged military officers not to attend such seminars.

[From the Richmond (Va.) News Leader, Aug. 22, 1961]

SENATOR FULBRIGHT AT FREDERICKSBURG

A Richmonder much interested in public affairs returned from vacation on Monday to find on his desk a letter from Brig. Gen. Arch A. Sproul of Staunton, assistant commander of the 29th Division. The letter, dated August 10, extended an invitation to attend a seminar on national security affairs to be held in Fredericksburg on August 25.

An accompanying program gave the details. At 9 o'clock, Dr. Paul W. Blackstock was to speak on "The Sino-Soviet Threat." At 10:10 o'clock, Charles T. Vetter was to discuss "International Communications and Communism." Just before lunch, the guests were to see a motion picture, "The Challenge of Ideas," described as a film "pointing out underlying differences between Western institutions of freedom and the totalitarian, monolithic state." Following lunch, Dr. Frank R. Barnett was to speak on "The Protracted Conflict." Later in the afternoon, Delegate W. C. "Dan" Daniels was to lead a panel discussion of "America's Task."

Dr. Blackstock was identified on the program as an associate professor of international relations at the University of South Carolina, a former intelligence officer, and the editor of The Russian Menace to Europe. Mr. Vetter was identified as an instructor in communications and communism for the U.S. Information Agency. Dr. Barnett was identified as a former Rhodes scholar who now is director of research for the Richardson Foundation, Inc., a leading anti-Communist organization. Mr. Daniels, of course, is a member of the Virginia House of Delegates, a member of the Virginia Commission on Constitutional Government, and a former national commander of the American Legion.

Much interested in this stimulating program, the Richmonder had just begun to write his acceptance when a second letter appeared on his desk. This letter, dated August 17, read as follows:

"Because of the impact of training requirements on the annual active duty encampment of the division which has been accentuated by recent world events, Gen. William C. Purnell, the division commander, felt it desirable to postpone the seminar originally scheduled for Friday, August 25, 1961.

"General Purnell joins me in expressing regret that the seminar had to be postponed; however, he has asked me to tell you that plans are being made to present it shortly after camp in both Maryland and Virginia, and you will receive an invitation."

What really happened between August 10 and August 17? Plainly, General Purnell and General Sproul got the word. As a consequence of the now famed "Fulbright Memorandum," drafted by the Senator from Arkansas, all such anti-Communist seminars have been called off. Professors of international relations, experienced intelligence officers, and serious students of the Soviet conspiracy no longer may be asked by military leaders to educate both National Guard personnel and leading civilians in the nature of the enemy.

"General Purnell joins me in expressing regret that the seminar had to be postponed." For "postponed," write "canceled." Or does anyone really wish to hold his breath until the program, as originally scheduled, is finally staged?

[From the Chicago Daily News, Aug. 4, 1961]

NEW GLENVIEW COMMANDER BARS ANTI-RED SEMINARS—CAPTAIN BOWMAN REJECTS MEETINGS THAT SMACK OF "POLITICS"

(By Joseph Haas)

The new commander of Glenview Naval Air Station said Friday he will not permit the base to be the scene of any ultraconservative, anti-Communist seminars.

Capt. D. W. Bowman also said that he will not allow any of his men on active duty to take part in any off-duty activities such as arch-conservative meetings which might smack of "political activity."

"Service personnel cannot take part in political activity," said the commander terselv.

The House Government Operations Committee in Washington Thursday disclosed it has canceled an investigation into possible cooperation between military personnel and civilian conservatives in anti-Communist indoctrination activities.

Last month, the committee told of plans to hold hearings at Glenview and other military bases to check reports of such activity.

But staff investigators blamed the cancellation of the inquiry on pressures brought to bear by Senators BARRY GOLDWATER, Republican, of Arizona, KARL E. MUNDT, Republican, of South Dakota, and STROM THURMOND, Democrat, of South Carolina.

The Glenview base held a big 4-day anti-Communist rally last August with the permission of Capt. Isaiah M. Hampton, then the commander there.

Hampton was transferred last month to Upper Darby, Pa., to become supervising inspector of Navy materials in that district.

Hampton told the Daily News before he left he cooperated in setting up the meeting to follow a secret 1958 directive by the Joint Chiefs of Staff calling on military commanders to help alert the public to the dangers of communism.

Defense Secretary Robert S. McNamara recently revoked the directive because it violated the principle that military men should keep out of politics.

Captain Bowman said he will continue to hold training sessions for base personnel on the dangers of communism, in line with Navy Department orders and using official pamphlets on the subject.

He said also that reservists not on active duty will be permitted to engage in whatever political activity they desire when "off duty and as civilians."

Lt. Comdr. Charles Bigler, Glenview training officer who helped plan the rally last year, said he will curb his off-base speechmaking on communism if he is ordered to do so.

"My speeches are not political, merely comparing the ideologies of communism and democracy," he said, "but I will submit them to my commander before delivering any more and if he gives the order, I will stop making them."

Bigler said he has been speaking before Rotary, Kiwanis, and similar groups.

[From the San Antonio (Tex.) La Prensa, Aug. 3, 1961]

DEFENSE DEPARTMENT EDICT COULD CURB SEMINAR

(By Nancy Phillips)

The Jaycee's Americanism seminar, that started as a local controversy, has set off reverberations from here to Washington, and high ranking G–2 officers in the 4th Army, stationed at Fort Sam Houston, may have some tall explaining to do if the Defense Department decides to take a hand.

Last week the junior chamber of commerce held a press conference on the premises of Fort Sam Houston. The Jaycees issued a release that listed three military establishments in San Antonio as cosponsors of the September 2-day seminar: 4th Army, Lackland Military Training Center, and the U.S. Navy training center.

Both the Navy and Lackland issued official statements to La Prensa that they are not cosponsoring the seminar. Fourth Army spokesmen stated, however, that they are sponsoring the seminar and moreover, have called a civilian (reservist-captain) into active duty and placed him on Army payroll for 2 months at the recommendation of the Jaycees.

Capt. Jim Lunz, who earlier this year had completed his required tour of duty, was ordered back into service to coordinate the whole project for the Jaycees and the 4th Army.

A G-2 officer disclosed that after conferring with Jaycee members at Fort Sam, he requested that Lunz's orders be cut. The officer also said the Jaycees came to the 4th Army early this summer, with the proposed seminar, and the 4th Army gladly agreed to promote the seminar, since it had the blessing of the mayor and the chamber of commerce.

He further stated that the Army has promoted many such seminars in Texas, acting under a directive issued by the Defense Department in 1958. This directive gives local military authorities the freedom to participate in such civilian activities, he said.

La Prensa has learned however, from reliable sources, that a G-2 officer called on officials of the Southwest Research Institute more than a year ago. The officer suggested to officials of the institute, that San Antonio needed a cold war strategy seminar similar to those held in other Texas towns. At that time nothing was said about the Jaycees sponsoring the seminar, in fact the G-2 officer stated that he was going from there to call on the chamber of commerce.

One year later, the G-2 officer returned to the institute with Jaycee representatives, and from then on the cold war strategy seminar became an Americanism seminar sponsored by the Jaycees, who listed cosponsors as 4th Army and the Southwest Research Institute. The Southwest Research Institute has from the beginning stated that it is not cosponsoring the seminar.

The question now, becomes: Who hatched the idea for the seminar in the first place, and why is the 4th Army so committed to the project—since the other San Antonio military installations are not?

The Defense Department, under Secretary Robert McNamara, has good reasons to be concerned, for as a result of a blistering 22-page memorandum from Senator J. W. FULBRIGHT, Democrat, of Arkansas, chairman of the Foreign Relations Committee, a new directive has been issued, dated July 10.

Senator FULBRIGHT's memorandum was sent to the White House and to Secretary McNamara over a month ago, according to a report in the New York Times (dated July 21). The memorandum cited a growing pattern of high military officers, engaging in or sponsoring a variety of educational programs, seminars, and forums designed to familiarize the civilian community with problems of cold war. Such programs often veered into rightwing radicalism.

In its press release, the Jaycees stated that Communist determination to take America from within is not controversial, and a list of nonpartisan experts to speak on the subject had been invited.

The speakers who have accepted, however, have a background of extreme rightwing views and some belong to or participate in activities of rightwing organizations such as Life Line, John Birch Society, and the Anti-Communist Christian Crusade. Frank Barnett, connected with the Richardson Foundation, has not accepted but his office says that he might. The Richardson Foundation was specifically cited in the Fulbright memorandum.

The Jaycees say that general subjects to be covered at the seminar are "The Threat We Face"; "American Communist Activity"; "Collectivism in Education"; "National Sovereignty versus International Socialism," and "What Can I Do?" Dates for the meetings are September 22-24.

The Army spokesman said that it was perfectly all right for the 4th Army to participate in this program, because, after all, it wasn't political. Someone in Washington may take a different view.

[From the Indianapolis (Ind.) Star, Aug. 18, 1961]

COLD WAR TALKS HERE CALLED OFF

After working for a month on preparations for a cold war seminar at Fort Benjamin Harrison, the Indianapolis Chamber of Commerce was abruptly notified yesterday of its cancellation.

Plans for the seminar were undertaken originally at the request of the Army, William H. Book, executive vice president of the chamber, said.

The request was the result of a seminar held last year in Chicago which was pronounced such a success that the Army asked that it be held this year in all military districts, Book said.

The purpose of the program was to show the Communists' techniques in the cold war, their methods of penetration and subversion, and how to combat them.

Industrial, business, labor union, veteran, and educational leaders from throughout the State were to have been invited.

"It appears that the criticism from Senator J. WILLIAM FULBRIGHT, of Arkansas, has resulted in this cancellation," Book said. "The Army was forced to knuckle down to FULBRIGHT who opposed the program because it offered an opportunity for conservatives to express their viewpoint."

The seminar was scheduled for October and a cross section of organizations had been invited to participate, ranging from the AFL-CIO to the Indiana Bankers Association, Book declared.

Among the speakers sought were Edwin Martin, Assistant Secretary of State for Economic Affairs; Dr. Gearhart Niemeyer of the University of Notre Dame; William C. Sullivan, assistant to FBI Director J. Edgar Hoover; Dr. Charles Malik of Lebanon, former United Nations General Assembly President and now a lecturer at George Washington University; and Gen. Thomas D. White, former Air Force Chief of Staff.

"With men of that caliber, I cannot understand how there could be any fears of the consequences of the seminar," Book commented.

[From the Shreveport (La.) Journal, Aug. 14, 1961]

ANOTHER IS SCHEDULED—PENTAGON CLOBBERS LOCAL ANTI-COMMUNIST SEMINAR

A chamber-of-commerce-sponsored anti-Communist seminar which had been set for September 7-8 in Shreveport has been postponed indefinitely after a Government directive forbidding military men from participating, but the Ark-La-Tex Anti-Communist School planned for October 3-7 will open as scheduled, spokesmen announced.

The chamber event had counted on the military for some of its speakers. The October school is not involved with the military.

HAD LEGION SUPPORT

The 2-day seminar, Project Alert, proposed by the chamber's armed services committee with backing by Lowe-McFarlane Post of the American Legion and other groups, was postponed after R. G. Singleton, committee chairman, was notified by Assistant Secretary of Defense Arthur Sylvester that military personnel cannot partitcipate "in your seminar in any manner."

Sylvester quoted a directive stemming from a controversial memorandum by U.S. Senator J. WILLIAM FULBRIGHT, urging the Pentagon to stop military officers from speaking on nondefense issues. The local committee had also wanted the Armed Forces as a cosponsor of the seminar.

Mayor Clyde Fant, who had been invited to serve as chairman for the seminar, said that in view of the Washington directive and the seminar's proximity and similarity in purpose to the 4-day school the project has been postponed for the time being.

CHURCH INVITED

Meanwhile, the dozens of business, professional, and civic leaders sponsoring the Ark-La-Tex Anti-Communist School are completing their arrangements and Chairman Addison O. Wood had invited churches, civic groups, and other organizations to add their support.

The school will be conducted at Municipal Auditorium, with a total of 30 lectures planned. Additionally, the Caddo School Board has approved the group's plans for a Youth Rally Day October 3.

Among top speakers at the 4-day school will be Herbert Philbrick, former counterspy for the FBI who recorded his experiences in the book "I Led Three Lives," and Dr. Fred Schwartz, president of the Christian Anti-Communism Crusade.

Fant said the chamber program, that carried the full title of "Cold War Seminar of the Ark-La-Tex—Project Alert," is expected to be conducted at a later date. He said, however, that just how soon that might be is undetermined.

DIRECTIVE QUOTED

The directive to which Sylvester referred states:

"In public discussions, all officials of the Department should confine themselves to defense matters. They should particularly avoid discussion of foreign policy matters, a field which is reserved for the President and Department of State. This long-established principle recognizes the danger that when defense officials express opinions on foreign policy, their words can be taken as the policy of the Government." The directive was issued by Defense Secretary Robert McNamara.

[From the Richmond (Va.) Times-Dispatch, Aug. 24, 1961]

FULBRIGHT MEMORANDUM HIT

DANVILLE, August 23.—Cancellation of an anti-Communist seminar for Virginia and Maryland National Guardsmen brought an angry protest Wednesday from W. C. Daniel, president of the National Security Council of Virginia, a sponsor of the seminar.

Daniel, a member of the Virginia House of Delegates and past national commander of the American Legion, said blame for cancellation of the program—scheduled for Friday at Fredericksburg—apparently could be laid to a recent memorandum sent by Senator FULBRIGHT, Democrat, of Arkansas, to President Kennedy.

The controversial memorandum, which also went to the Pentagon, advised against attendance at such seminars by military officers.

Daniel was to have moderated a panel at the Fredericksburg seminar, plans for which were announced by the National Security Council of Virginia shortly after it was organized July 28. He also had helped arrange the speaking program.

The Danville State legislator said the Fulbright memorandum was intended to muzzle the military "and cannot help but serve the cause of the Soviet Union. * * * Our military leaders as a group are the most realistic and objective people on the Washington scene today and understand Communist intent, which Mr. FULBRIGHT does not."

The National Security Council of Virginia, which Daniel heads, was formed to increase public awareness of the Communist threat and the need for national security. It has announced plans for an autumn seminar in Richmond of the type originally scheduled for Fredericksburg this Friday.

Daniel said he hadn't been notified formally of the cancellation of the Fredericksburg seminar and could not state categorically that the action resulted from the Fulbright memorandum.

He said, however, the cancellation "bears a sharp resemblance to the intent of the memorandum and it is my judgment that it was."

NO MILITARY MEN SPEAKING

No military leaders were to have been among the speakers at the seminar. Addresses were scheduled by Dr. Paul W. Blackstock of the University of South Carolina on "The Sino-Soviet Threat"; Charles T. Vetter, Jr., of the U.S. Information Agency on "International Communications and Communism," and Frank Barnett, director of research for the Richardson Foundation, Inc., on "The Protracted Conflict."

Virginia and Maryland guardsmen at the seminar were to have come from the ranks of the 29th Division of the National Guard.

"Our military leaders recognize their responsibility to acquaint the men under their command with the enemy," Daniel said in his Wednesday statement. "They would be derelict in their duty if they failed to do so. To discredit all anti-Communists with particular emphasis on our military leaders is a prime objective of the Kremlin."

THE DECLINE OF CONGRESS—BACK-DOOR FINANCING

Mr. BENNETT. Madam President, since the Kennedy administration took office in January, we have witnessed an acceleration in the decline of the power of Congress. Executive agreements, pressures from the White House, and proposals for legislation which bypass Congress, such as the foreign aid bill and the farm bill, are all examples of this trend. One of the most serious expressions of this alarming process is the gradual willing abdication by Congress of its constitutional responsibility and control over the purse strings of the Federal Government. What is particularly shocking is the utter lack of concern shown by most Members of the Senate and the House. A Senator would probably call out the guard if a purse snatcher were to steal his wife's purse. But we turn our heads when the President gently lifts the public purse from our fingertips.

Typical of this dangerous trend toward congressional impotence is the eagerness displayed by a majority of the House and Senate to forfeit fiscal control to the executive branch by giving the President the key to the back door of the Treasury. In just 7 months this year, the Senate has approved bills which call for $27 billion in back-door spending. The House has approved $20 billion, but when the foreign aid bill conference is completed, its back-door record will be just about as bad as the Senate's.

Back-door spending takes various forms. The most common is for an agency or department of the Government to make use of public debt receipts and go directly to the Federal Treasury for its funds. Another approach is for an agency to contract to obligate funds in advanced of appropriations for the various "contract" programs. This does not do away with the appropriations process, but it reduces the function of the Committee on Appropriations to one of honoring a commitment already made. No matter what the fiscal situation, the Government's contract liabilities must be honored. Annual review of the program is thereby made meaningless.

Proponents of such spending are relying on the old adage that "what you don't know won't hurt you." However, in Government spending, hidden spending does hurt. It hurts our pocketbooks, both through tax drains and through decreased purchasing power through inflation. It completely violates the constitutional requirement that no spending of public funds shall occur without annual review by Congress.

Referring to just the type of financing handled with public debt receipts, the Senate may be surprised to know that to date the Treasury has put $140 billion of such back-door spending authorizations on the books. Of that amount, $114.5 billion has been loaned or advanced; and $25.7 billion remains to be withdrawn at the will of the agencies involved, without congressional approval.

I ask consent to have printed in the RECORD a table which summarizes these public debt transactions since they were first inaugurated in 1932. Incidentally, it was the now defunct RFC that was first given a key to the Treasury's back door.

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

Record of public debt transactions from June 30, 1932, to June 30, 1960

[In millions of dollars]

Fiscal year	Borrowings and other advances from Treasury	Unused balance of authority at end of year
1932	350.0	1,150.0
1933	1,235.0	2,537.4
1934	1,670.0	7,570.7
1935	825.0	5,590.4
1936	865.0	4,586.9
1937	227.0	4,997.8
1938	345.0	5,783.8
1939	426.3	6,235.2
1940	641.8	6,874.3
1941	798.2	9,374.4
1942	4,178.3	18,868.4
1943	6,969.0	15,774.7
1944	7,615.0	15,156.8
1945	4,149.0	16,810.0
1946	3,553.1	24,527.1
1947	7,346.6	21,206.2
1948	5,505.0	15,166.8
1949	5,851.0	13,473.8
1950	4,031.7	16,991.4
1951	3,780.6	17,604.9
1952	2,739.2	21,326.7
1953	4,420.4	20,006.2
1954	5,398.4	20,738.4
1955	6,224.0	19,245.2
1956	5,273.1	17,979.9
1957	6,077.7	19,834.4
1958	7,301.7	25,197.4
1959	9,958.7	25,185.7
1960	6,733.6	25,734.0
Total	114,489.6	

Mr. BENNETT. Madam President, the tempo of this spending is picking up rapidly, as shown by the $20 billion and $27 billion of such spending measures already passed by the House and Senate thus far this year.

Original presidential requests for back-door spending authority for legislation proposed this year totaled $29 billion. The major programs involved were housing with $8 billion in back-door authorizations, a 5-year foreign aid bill with $9 billion in back-door spending, and agricultural programs totaling $9 billion over a 5-year period.

Madam President, for a complete and detailed list of all the authorizations which make up this total, I refer Senators to page 16583 of the CONGRESSIONAL RECORD for August 22, 1961. Congress has not been giving the President exactly what he wants, but in my opinion we have already given him too much.

On June 1, I introduced Senate Resolution 155, which would provide that all spending authorizations must be approved by the Senate Appropriations Committee. A similar measure, House Resolution 115, has been submitted in the House by Representative PELLY. It provides that all spending authorizations on the House side must be cleared by the House Appropriations Committee.

Mr. PELLY's resolution was blocked in the revamped House Rules Committee by a vote of 8 to 6. It never reached a test in the House itself. Because of that action, I submitted my resolution on the Senate side, in an attempt to close this back-door to the Treasury by Senate action. My resolution would not require House approval, but would achieve the desired end by requiring at least the Senate Appropriations Committee to give its approval to any spending proposals.

I urge the Senate to take action on this resolution, so as to restore its rightful controls over Government spending. These controls have been continually eroded in recent years, particularly this past year, by opening up new doors to the rear of the Treasury. One open door is bad enough. However, so many doors are now being opened that we stand in danger of permitting an inflationary gale to blow through our fiscal house. If the trend continues, we might as well give a blank checkbook to the President and his departments and agencies, abolish the House and Senate Appropriations Committees, and give a souvenir rubberstamp to each Representative and Senator.

FOREIGN COMMERCE ACT OF 1961

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 720, Senate bill 1729.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1729) to promote the foreign commerce of the United States, and for related purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments, on page 3, line 4, after the word "Act", to insert "and in addition to his authority under any other Act"; in line 11, after the word "in", to strike out "consultation and"; after line 15, to strike out:

(3) to cause such notices or advertisements to be placed in the informational

media of this country as he determines will be most helpful to domestic manufacturers and businessmen in maximizing their foreign trade opportunities and in utilizing the commercial services available to them through the various departments and agencies of the Government;

On page 4, at the beginning of line 1, to strike out "(4)" and insert "(3)"; at the beginning of line 2, to strike out "consultation and"; at the beginning of line 7, to strike out "(5)" and insert "(4)", and in the same line, after the word "to", to strike out "establish in Washington, District of Columbia, and" and insert "encourage and facilitate the establishment by private organizations and/or local government groups"; in line 10, after the word "United", to strike out "States," and insert "States of"; in line 12, after the word "United", to strike out "States, and for this purpose to acquire land, construct suitable buildings, and arrange with American industries for the exhibition of their goods" and insert "States"; after line 14, to strike out:

(6) to establish, in consultation and cooperation with the Secretary of State, a limited number of pilot projects in foreign market areas to provide warehousing and other permanent basic support facilities to aid the export operations of the United States businessmen and manufacturers, aid to provide for the eventual sale of such facilities to United States business concerns, or to associations of such concerns as authorized by the Act of April 10, 1918 (the "Webb Pomerene Act" (40 Stat. 516)), for private operation;

At the beginning of line 25, to strike out "(7)" and insert "(5)", and in the same line, after the word "to", to strike out "expand the trade mission program" and insert "organize"; on page 5, line 1, after the word "in", to strike out "consultations and"; in line 2, after the word "abroad", to strike out "joint governmental and private enterprise groups" and insert "specially qualified trade development and promotion missions from government and private enterprise"; at the beginning of line 7, to strike out "(8)" and insert "(6)", and in the same line, after the word "to", to strike out "establish, in consultation and" and insert "establish and operate, in"; in line 8, after the word "of", to strike out "State," and insert "State"; in line 10, after the word "Agency,", to strike out "United States" and insert "temporary or continuing"; in line 11, after the word "centers", to insert "and merchandise exhibit centers"; after line 14, to strike out:

(9) in consultation and cooperation with the Secretary of State (A) to undertake such market surveys and other commercial research in foreign market areas as he determines to be most useful for the expansion of United States export trade, and for such purpose to contract with such private firms or organizations, either domestic or foreign, as he may determine without regard to section 3709 of the Revised Statutes of the United States or any other provision of law requiring competitive bidding; (B) to disseminate the results of such surveys and research in such form as may be most useful; and (C) to cause such notices or advertisements to be placed in the informational media of other countries as he determines will be most helpful in making known to manufacturers and businessmen the facilities available to them through the Foreign Commerce Corps and the Department of Commerce for the purchase of American products or the sale of their own products to American importers;

On page 6, after line 8, to strike out:

(10) to compile, edit, and publish in English and such other languages as deemed necessary, a suitable periodic journal or magazine containing developments in American industry and advertisements of established American individuals, firms, or business organizations on a paid basis and to make such journal or magazine available without charge to foreign firms, individuals, and business organizations as a means of publicizing business opportunities and to attract foreign nationals to the services and facilities available through the Foreign Commerce Corps and the Department of Commerce;

After line 19, to insert:

(7) to collect, survey, analyze, and disseminate by all practical means information as to export trade opportunities, by commodity or industry and potential market areas;

At the beginning of line 24, to strike out "(11)" and insert "(8)", and in the same line, after the word "to", to strike out "expand, as he may determine," and insert "develop and organize"; on page 7, after line 5, to strike out:

(12) to make such organizational changes within the Department of Commerce and to effect such communications and operational liaison between the Bureau of Foreign Commerce, the Business and Defense Services Administration, other divisions of the Department of Commerce, the field offices of the Department of Commerce in the United States, and the Foreign Commerce Corps, as the Secretary considers necessary to directly link domestic producers with markets abroad and to expedite the flow of information between exporters or potential exporters in the United States and buyers abroad; and

At the beginning of line 18, to strike out "(13)" and insert "(9)"; on page 8, after line 2, to strike out:

SEC. 201. (a) In furtherance of the policy and purpose of this Act, there is hereby established in the Small Business Administration an Office of Liaison with the Department of Commerce. The Liaison Office shall be headed by a Liaison Officer to be appointed by the Administrator of the Small Business Administration. The Liaison Officer shall have the rank of, and receive compensation at the rate provided by law for, Deputy Administrators of the Small Business Administration. In close cooperation with the Secretary of Commerce, such Administrator is authorized, through such Liaison Office—

(1) to assign personnel to the Department of Commerce field offices in the United States for duties directly related to expanding the opportunities and facilities for the participation of small businesses in foreign commerce;

(2) when requested by the Secretary of Commerce, to undertake a program for the expansion of the number and the variety of export services provided by regional and branch offices of the Small Business Administration;

(3) to cause such notices or advertisements to be placed in the informational media of this country as he determines will be most helpful to small business in maximizing its foreign trade opportunities and in utilizing the commercial services available to it through the Department of Commerce and other departments and agencies of the Government;

(4) to represent, when requested by the Secretary of Commerce and the Secretary of State, the interests of the small businesses of the United States at international commercial treaty and other trade negotiations in which the United States Government participates, and on interagency committees, boards, or other organizations established within the executive branch to deal with foreign trade matters;

(5) in close coordination with the Department of Commerce, to disseminate trade information, for the purpose of aiding small businesses in developing and expanding their exports; and

(6) to encourage and assist small businesses in forming associations as authorized under the Webb-Pomerene Act (40 Stat. 516).

(b) Section 4(b) of the Small Business Act, as amended (15 U.S.C. 633(b)), is amended by striking the word "three" in the final sentence of such subsection and inserting in lieu thereof the word "five".

And, in lieu thereof, to insert:

SEC. 201. In furtherance of the policy and purpose of this Act, the Administrator of the Small Business Administration, in cooperation with the Secretary of Commerce and the heads of other departments and agencies of the Federal Government having responsibilities in the field of foreign trade, is authorized to foster and stimulate the interest of domestic small business concerns in foreign trade opportunities through its programs of advice and assistance to such concerns.

On page 10, line 13, after the word "the", to strike out "Bureau of Foreign Commerce" and insert "Department of Commerce"; in line 21, after the word "the", to strike out "Bureau of Foreign Commerce" and insert "Department of Commerce"; on page 11, at the beginning of line 5, to insert "Commercial"; in line 20, after the word "universities", to insert "or other public or private nonprofit institutions or associations"; in line 23, after the word "Corps", to insert a comma and "and with the concurrence of the Secretary of State, to assign or detail members of the Corps for special instruction or training at the Foreign Service Institute"; on page 13, line 5, after the word "insure", to insert "coinsure"; in line 6, after the word "against", to insert "political and commercial"; in line 13, after the word "insurance", to insert "coinsurance"; at the beginning of line 14, to strike out "and/or" and insert "and"; in line 17, after the word "such", to insert "guarantees and"; in line 18, after the word "such", to insert "guarantees and"; in line 22, after the word "Bank", to strike out "shall" and insert "is authorized and empowered to"; in line 23, after the word "such", to strike out "guarantees, insurance, or reinsurance" and insert "guarantees and insurance"; on page 14, line 6, after the word "make", to insert "such", and in the same line, after the word "guarantees", to strike out "against both political and commercial risks" and insert "and insurance"; in line 12, after the word "make", to insert "such", and in the same line, after the word "guarantees", to insert "and insurance"; in line 14, after the word "other", to strike out "currency," and insert "currency"; in line 23, after the word "determine", to insert "all the terms and conditions of the guarantee program including, but not limited to,"; on page 15, line 1, after the word "be", to insert "guaranteed and"; in line 2, after the word 'insured", to strike out "to determine", and in the same line, after the word "charges", to strike out "to determine"; in line 3, after the word "policies", to strike out "to determine"; in line 5, after the word "guarantees", to insert "and insurance"; in line 10, after the word "guarantees", to insert "and insurance fully"; in line 11, after the word "competitive", to strike out "in all respects"; in line 14, after the word "section", to strike out "307 of this Act" and insert "309 of the Export-Import Bank Act of 1945 (59 Stat. 529)"; in line 21, after the word "of", to insert "such guarantees and"; in line 23, after the word "risk", to insert "guarantees and"; at the top of page 16, to strike out:

"(6) When any payment is made to any person or corporation pursuant to a guaranty as hereinbefore described, the currency, credits, or other assets on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith.

After line 7, to strike out:

"(7) As used in this Act—

"(a) the word 'goods' shall mean any raw materials or manufactured goods exported from the United States;

"(b) the word 'services' shall mean all services by exporters ordinarily resident in the United States rendered in foreign countries, and shall include (A) the rendering of engineering, architectural, other technical services, the rental of leasehold property, and the licensing of intangible property rights, including patents, trademarks, and copyrights, and (B) the dollar and other currency costs of equipment, materials and total installed costs of a complete project, facility, or installation;

"(c) the words 'political risk' shall mean the risk of loss caused, in whole or part, by the occurrence of any action by a foreign government interfering with the completion of and/or the payment for the export of goods or services as defined herein in accordance with the lawful terms agreed upon by the parties thereto, within a period of time stipulated in the guaranty contract;

(d) the words 'commercial risk' shall mean the risk of loss within the period of time stipulated, caused by the occurrence of the insolvency or protracted default of the buyer; failure or refusal to accept and pay for goods or services which have been exported or contracted for export, or any other cause of loss not being within the control of the exporter or the buyer which arises for events occurring outside the United States and which is not normally insurable with insurers covering other than export credit risks and which was not caused by a political risk."; and

On page 17, line 17, after the word "from", to strike out "section 306" and insert "section 8"; after line 19, to strike out:

TITLE V—USE OF FOREIGN CURRENCIES

SEC. 501. Section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1705), is amended (1) by striking out the colon at the end of paragraph (r) and inserting in lieu thereof a semicolon, and (2) by adding after paragraph (r) a new paragraph as follows:

"(s) For financing in such amounts as may be specified from time to time in appropriation Acts, programs and projects to be undertaken in foreign countries in accordance with the Foreign Commerce Act of 1961:".

And, on page 18, in the heading, in line 7, after the word "Title", to strike out "VI" and insert "V"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Commerce Act of 1961".

STATEMENT OF POLICY AND PURPOSE

SEC. 2. It is the sense of the Congress that the peace and economic well-being of the peoples of the world increasingly depends on wider recognition, both in principle and practice, of the interdependence of men upon an expanding exchange of goods and services. The Congress finds and declares that foreign trade represents a strong and vital element in the economic leadership of the United States among free nations. It is the purpose of this Act—

(a) to provide a coordinated and augmented program of Government action to improve and expand the services necessary to assist United States manufacturers and businessmen in developing export markets;

(b) to establish, within the Department of Commerce, a professional career service to promote foreign commerce and to assist United States businessmen, both in the United States and abroad, in finding export opportunities and in expediting sales transactions;

(c) to authorize such reorganization within the Department of Commerce as is necessary to facilitate the flow of trade information betwen exporters in the United States and importers abroad;

(d) to improve the competitive position of United States exporters through the establishment of comprehensive program for the insurance of export credits against political and commercial risks.

TITLE I—EXPANSION OF SERVICES FOR EXPORT PROMOTION

SEC. 101. In furtherance of the policy and purpose of this Act, and in addition to his authority under any other Act, the Secretary of Commerce is authorized and directed—

(1) to undertake a program for the expansion of the number, and the variety of export services provided by the Department of Commerce and the field offices of the Department of Commerce in the commercial centers of the United States;

(2) to undertake, in cooperation with the Secretary of State, a program for the expansion of the number and variety of services provided to American and foreign exporters and importers by commercial attachés abroad;

(3) to establish, or make arrangements for, in cooperation with the Secretary of State, exhibits of goods produced in the United States, in major foreign trade areas, when he determines this to be advisable in the furtherance of the policy and purposes of this Act;

(4) to encourage and facilitate the establishment by private organizations and/or local government groups in selected cities of the United States of permanent centers for the exhibition of goods produced in the United States;

(5) to organize and, in cooperation with the Secretary of State, to send abroad specially qualified trade development and promotion missions from government and private enterprise, for the purpose of promoting trade;

(6) to establish and operate, in cooperation with the Secretary of State and the Director of the United States Information Agency, temporary or continuing trade information centers and merchandise exhibit centers in the principal commercial centers and trade fairs of the world, whenever he determines this to be advisable in the furtherance of the policy and purpose of this Act;

(7) to collect, survey, analyze, and disseminate by all practical means information as to export trade opportunities, by commodity or industry and potential market areas;

(8) to develop and organize the facilities of the Department of Commerce for the promotion of trade fairs (including floating exhibits of United States export commodities) and for increasing the participation of United States business concerns in international trade fairs;

(9) to organize and conduct, as determined appropriate, export promotion conferences or seminars in the major commercial centers of the United States, and through use of speakers, films, and other media, to advise businessmen of trade opportunities and of conditions in foreign countries relevant to trade promotion.

TITLE II—EXPANSION OF SERVICES BY SMALL BUSINESS ADMINISTRATION

SEC. 201. In furtherance of the policy and purpose of this Act, the Administrator of the Small Business Administration, in cooperation with the Secretary of Commerce and the heads of other departments and agencies of the Federal Government having responsibilities in the field of foreign trade, is authorized to foster and stimulate the interest of domestic small business concerns in foreign trade opportunities through its programs of advice and assistance to such concerns.

TITLE III—FOREIGN COMMERCE CORPS

SEC. 301. To effectuate the carrying out of the purposes of this Act, the Secretary of Commerce is authorized and directed to establish within the Department of Commerce a career service to be known as the "Foreign Commerce Corps of the United States" (hereinafter referred to as the "Corps").

SEC. 302. The Secretary of Commerce is authorized to prescribe regulations governing the Corps; to appoint personnel, and, with the concurrence of the Secretary of State, to assign such personnel to service abroad, and to rotate such personnel between duty abroad and duty in the Department of Commerce or duty directly related to export promotion in the field offices of the Department of Commerce in the United States.

SEC. 303. Professional staff members of the Corps shall have the designation of Foreign Commerce Officer. Officers or employees assigned or appointed to a post abroad pursuant to this title shall have the designation of Commercial Attaché, Commercial Officer, Commercial Counselor, or Commercial Minister, or such other titles or designations as are jointly agreed to by the Secretary of State and the Secretary of Commerce.

SEC. 304. Upon the request of the Secretary of Commerce, the Secretary of State shall regularly and officially attach the officers or employees of the Corps to the diplomatic mission or other Foreign Service posts of the United States in the country in which such officers or employees are assigned by the Secretary of Commerce, and shall obtain for them diplomatic privileges and immunities and afford diplomatic status equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

SEC. 305. The Secretary of Commerce is authorized to prescribe training programs, to establish a Foreign Commerce Institute or other training facilities within the Depatment of Commerce, and to contract with universities or other public or private nonprofit institutions or associations in the United States or abroad, for training members of the Corps, and with the concurrence of the Secretary of State, to assign or detail members of the Corps for special instruction or training at the Foreign Service Institute.

SEC. 306. The provisions of sections 602(d), 603, 604, 605, and 606 of the Act of August 28, 1954 (the Agricultural Act of 1954) (68 Stat. 908), shall apply to the members of the Corps and their functions in the same manner such provisions apply to agricultural attachés, and their functions, except that in applying such provisions to the Corps (1) the Secretary of Commerce shall have the authority given to the Secretary of Agriculture with respect to agricultural attachés, and (2) wherever such provisions refer to agriculture they shall be deemed to refer to commerce.

SEC. 307. For the current fiscal year so much of the unexpended balances of appropriations, allocations, and other funds employed by the Department of State in connection with the same functions authorized in this title, as are determined by the Director of the Bureau of the Budget or by appropriation or other law, shall be available to the Secretary of Commerce for the purposes of this title, and there are authorized to be appropriated to the Department of Commerce such additional amounts as may be necessary for the purposes of this title.

TITLE IV—EXPORT CREDIT GUARANTEES

SEC. 401. The Export-Import Bank Act of 1945, as amended (12 U.S.C. 635), is amended by:

(1) striking out subsection (c) of section 2 and inserting in lieu thereof the following:

"(c) (1) The Export-Import Bank of Washington, in furtherance of its objects and purposes under this Act, is authorized and empowered to guarantee, insure, coinsure, and reinsure against political and commercial risk of loss arising in connection with export transactions.

"(2) The Bank shall, to the fullest extent possible, utilize the services of insurance companies, financial institutions, or other private enterprises, or groups thereof in the issuance and operations of such guarantees and for this purpose the Bank may make contracts or agreements for the issuance of such guarantees, insurance, coinsurance and reinsurance with insurance companies, financial institutions, or others, or groups thereof, and may employ or contract with any of the same: to act as its agent for the issuance of such guarantees and insurance; to provide specialized technical services of underwriting such guarantees and insurance; to collect and disseminate credit risk information; and, to adjust any claims arising thereunder, subject to the further provisions of this section.

"(3) The Bank is authorized and empowered to—

"(a) make such guarantees and insurance available on a nonpreferential basis assuring participating membership and free access of all qualified insurance companies, financial institutions, or groups thereof to any central credit clearinghouse or coordinating agency which the Bank may engage as its agent;

"(b) make such guarantees and insurance available to exporters or financial institutions in their own communities, at one place, without requiring in each instance direct correspondence or communication between exporters or financial institutions and the Bank;

"(c) make such guarantees and insurance applicable to the export of goods and related services, including the dollar and other currency costs of a complete installation, facility, or project, when such installation, facility, or project is an integral part of a contract which includes the export of goods;

"(d) establish procedures designed in all respects to assist American exporters and contractors in effective competitive bidding; and

"(e) publish and make public the current policy and procedures applicable to export credit insurance.

"(4) The Bank is authorized to determine all the terms and conditions of the guarantee program including, but not limited to, the maximum amount of the total contract price for goods and related services which may be guaranteed and insured; premium fees or charges; the effective duration of insurance policies; the aggregate amount of political and/or commercial risk guarantees and insurance which may be outstanding at any one time; and to establish such operating and reserve funds, within the limits of the existing capital and reserves of the Bank, as may be necessary: *Provided*, That the Bank shall endeavor to make the program as self-supporting as may be possible; to make the guarantees and insurance fully competitive with the credit guarantee or insurance facilities offered by foreign governments or their agencies, and to include in any report submitted to the Congress under section 309 of the Export-Import Bank Act of 1945 (59 Stat. 529) a complete and separate summary of operations under this subsection including, whenever practicable, an evaluation of such operations in terms of programs of a similar nature which are being carried out by other countries doing major export business.

"(5) The Bank is authorized to modify from time to time the terms and conditions of such guarantees and insurance against political and commercial risks: *Provided*, That the terms of political risk guarantees and insurance shall be on a country basis and shall be uniformly applicable to all exports to that foreign country.

(2) Striking from section 8 thereof the date "June 30, 1963" and inserting in lieu thereof "June 30, 1968."

TITLE V—AUTHORIZATION OF APPROPRIATIONS

SEC. 501. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

Mr. ENGLE. Madam President, I ask unanimous consent that the committee amendments to S. 1729 be agreed to en bloc, and that the bill as amended be considered as original text for the purpose of further amendment.

Mr. SALTONSTALL. Madam President, will the Senator from California yield before that consent is granted?

Mr. ENGLE. I yield.

Mr. SALTONSTALL. Do the committee amendments include an amendment offered by the Senator from Alabama [Mr. SPARKMAN] and me from the Committee on Small Business? I understood that the amendment was agreeable to the Senator from California.

Mr. ENGLE. The amendment is not included in the committee amendments; but, speaking as the author of the bill, I have no objection to the amendment, and when it is offered, I will agree to accept it.

My request was simply to provide a clean bill, and have it in a position for consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered. The bill is open to further amendment.

Mr. ENGLE. Madam President, I ask unanimous consent that the figure "309" on line 14, page 15, be corrected to read "9". This is a correction of a clerical or printing error.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ENGLE. Madam President, S. 1729—the Foreign Commerce Act of 1961—is designed to promote the foreign commerce of the United States by increasing the flow of our exports to the various markets of the world. This would be accomplished by providing a number of new services, and expanding certain existing services, which the Federal Government provides to U.S. businessmen who are interested in exporting their products and services. The present Government machinery does not enable our exporters to compete effectively with their counterparts in the major trading nations, and it is my belief that this bill would provide incentives and opportunities to American business to increase our exports.

Before explaining the means and methods proposed in this bill to institute an export promotion program, I want to make it absolutely clear that there is not going to be any subsidization of our exporters. While there have been some scattered requests for subsidy, our business community has by and large opposed the use of export subsidies, requesting only that they be given Government support comparable to that supplied by other nations to their exporters. The American businessman just wants an opportunity to enter the competitive fray on an equal basis with his opponents, believing—and I most assuredly agree—that our know-how, inventiveness, and technical competence will enable us to recapture lost markets and open vast new markets for American goods and services.

Madam President, I do not for one minute believe that the decline in U.S. exports is due to any deficiency in the structure for our free enterprise system. I feel that given a chance, our exporters can return this Nation to its preeminent position as the world's greatest trading Nation.

Today, however, we do not occupy such a lofty peak. Just last week—Thursday, August 17—the Department of Commerce announced that our nonmilitary merchandise exports declined from an annual rate of about $20.2 billion in the first quarter of 1961 to about $19.1 billion in the second quarter. While the United States maintains a favorable trade balance, that is we export more than we import, the decline in the export surplus was from an annual rate of $6.7 billion in the first quarter of 1961 to about $5.4 billion in the second quarter.

Needless to say, this does not bode well for our balance-of-payments position. Based on figures for the first quarter of 1961, we would have had a deficit in gold or dollar assets of $1.15 billion in 1961, but our second-quarter figures show a deficit at an annual rate of $1.8 billion, when excluding the extraordinary repayments of loans, amount to $650 million, by Germany, the Netherlands, and the Philippines.

Madam President, the United States cannot afford to continue to have deficits in our balance of payments—as we have had in every year of the last decade, except that of the Suez crisis in 1957—when such deficits cannot only be erased but turned into profitable balances by proper exploitation of the opportunities for increasing our exports. A witness who is well acquainted with the foreign market appeared before the Committee on Commerce to testify in support of S. 1729, and told us that by 1970 it is quite likely that the oversea markets will be two to three times as large as those in the United States, and by 1980 possibly three to four times as large. This should be compared to the situation which existed a few scant years ago, when approximately 50 percent of the total market for many manufactured goods was located in the United States. In other words, right now we here in the United States purchase and consume about half of all the world's manufactured goods in many categories, but in 10 and 20 years, the foreign markets will be purchasing two, three, and even four times as much as we do.

Madam President, the question is, How are we going to take advantage of and become a part of this tremendous world economic expansion? It is essential that we make this determination here and now, since we are today losing existing markets and watching new markets go to our competitors, and it is basic business knowledge that it is going to be much harder to capture markets from well-entrenched competitors than it would be to gain the initial footholds ourselves.

We asked the business witnesses who testified on S. 1729 to tell us what the problem is, and what we can do about it. I want to mention that the Committee on Commerce, during its study of foreign trade during the last Congress, had an opportunity to put such questions to a great number of witnesses, both here and overseas. We also sent questionnaires to members of the business community, to Government officials, to economists and trade specialists—in every instance asking what could be done to improve our trade program. I myself traveled overseas, as did other committee members, and in Asia, Africa, Latin America, and Europe, we asked foreign officials, our own Government people and members of the business community, both American and foreign, what ails our export business that we not only are unable to hold our own in foreign markets, but are in fact falling behind.

Madam President, their answers were at first surprising, but after a time we realized that from all over the United States, as well as from all over the world, the answers and replies were more than a little redundant. The complaints were basically the same, and the advice and suggestions became more and more familiar.

The two most prevalent complaints concerned the lack of a comprehensive export guarantee program and the inefficiency of our oversea commercial services. Other areas for improvement, often raised by such witnesses, concerned our oversea trade fair program and the lack of interest in the United States in export opportunities.

Madam President, I sincerely believe that S. 1729 provides answers to the major problems presently facing our exporters. I would like to discuss briefly the various sections of the bill, explaining the defects each is expected to correct and the benefits which will flow from such changes.

Title I of S. 1729 proposes an expansion of the export promotion services of the Department of Commerce, both here and abroad. This means increasing the scope of information and services available at field offices of the Department of Commerce in the United States—thereby meeting the complaint that adequate aid and information concerning export opportunities is not available except at the Department headquarters in Washington. By adding to the number and variety of services provided overseas, we would provide help and information where it is most needed, where purchases would be made by the foreign importer.

Authority is given to the Secretary of Commerce to increase the scope of our trade fair program, and to improve the operations now being provided. The complaint has been made that our trade fairs too often are limited to exhibits of extremely technical machinery and services which are far beyond the reach or needs of many of the newly developing nations. Such exhibits are fine as examples of the scientific advancements of the United States, and undoubtedly have commercial sales value in such nations as Japan, Germany, and England. But when we have trade fairs or exhibits in those nations which are only today moving toward mechanization, we should show items which have immediate sales appeal, such as shovels and hoes, simple tractors, and the like. There is room for both types of exhibits, but when we are interested in making sales to increase our exports, then we should concentrate on items that the purchaser needs and wants.

There is also authorization for the Secretary of Commerce to expand the very concept of trade fairs—to promote the establishment of permanent centers in the United States for exhibition of domestically produced goods; to send abroad trade development and promotion missions; and to establish and operate overseas both temporary and continuing trade information centers and merchandise exhibit centers.

Madam President, in title II of this bill there is authorization given to the Administrator of the Small Business Administration, acting in cooperation with other departments and agencies of the Federal Government, to foster and stimulate the interest of small business voncerns in foreign trade opportunities. Recent statistics show that less than 5 percent of our businesses have taken part in foreign trade, and that among these the participation by small businesses is extremely limited. Through its programs of advice and assistance to these small businesses, the Small Business Administration with its many field offices is in an ideal position to carry out a program of trade promotion.

I may add that a series of hearings of the Small Business Committee last year, held throughout the Nation, demonstrated a need for such aid and services by the Small Business Administration. The Committee on Commerce has attempted to coordinate its efforts in this area with the Small Business Committee, and I believe this bill is acceptable to that committee.

Title III of S. 1729 provides for the establishment within the Department of Commerce of a professional career service to be known as the Foreign Commerce Corps. Members of this group would serve as our commercial attachés and in other related offices overseas. In this way the Department of Commerce, which has the responsibility for trade promotion, would be accessible to the foreign purchaser as well as to the American exporter.

Madam President, I want it clearly understood that this transfer of the commercial attachés from State to Commerce would not alter or change the role of the Department of State in formulating the broad lines of foreign trade policy. Moreover, the commercial attachés would continue to operate overseas under the immediate jurisdiction of our ambassadors. The basic purpose of the transfer would be to place in commercial activities persons with commercial training and an interest in such work.

The comments the committee received concerning our present commercial officers overseas were particularly critical of the procedure whereby a young Foreign Service officer was assigned for a 2-year period to act as commercial attaché. He is generally unhappy about the prospect of spending this time outside of what he considers to be the main line of his endeavors—the political work. Moreover, he is not trained for commercial work, and by the time he acquires any competency from his experience, he usually has completed his 2-year tour and returns to political work. In addition, the fledgling commercial attaché has a multitude of other tasks—such as the preparation of economic reports—which prohibit any valuable work in selling our products. Mind you, there are undoubtedly exceptions to the rule, but this is, by and large, the role of our commercial attachés.

There were also complaints concerning the timelag in obtaining commercial information through our embassies, and the fact that sales are all too often lost because of the delay in being able to transmit to a prospective purchaser the information he requires. It was made clear that such services prior to 1939, when commercial attachés were still in the Department of Commerce, were superior to those achieved under the present system.

It was pointed out that there are a number of Federal agencies and departments which still have their own personnel serving overseas, including Agriculture, Treasury, Labor, and ICA, and that such a system is not only feasible for the Department of Commerce, but is even more desirable.

In short, we were told that other nations with a professional commercial service overseas give their exporters and businessmen a distinct advantage over our people, and that this advantage was often translated into lost sales for us, and additional sales for other nations.

Madam President, S. 1729 is designed to provide our businessmen with commercial attachés who have professional training and a true interest in commercial work. Our attachés would no longer be sidetracked on odd jobs around the embassy, but could devote their full time to trade promotion and development. Under such a system, there would be a more orderly channeling of information, since there would be direct operational lines between the attaché and the Department of Commerce, and thus we would eliminate unnecessary delays in forwarding information to interested persons overseas.

This part of the bill would eliminate one of the major stumbling blocks to effective trade promotion, by providing an oversea commercial service equal to that of our competitors for foreign markets.

The other major inhibition to increasing exports, the lack of an adequate credit-guarantee program comparable to that of other major training nations, would be corrected by title IV of this bill.

Madam President, when an importer in Latin America or Africa is contemplating a purchase, he is as much interested in the credit terms available as he is in the price or quality of the goods or products involved. No matter how superior an American item may be to that produced in another country, if the buyer cannot get acceptable terms from the American, the sale will go to the other country. And this is what has been happening repeatedly all over the world. The reason for our failure can most often be found in the well-established export guarantee programs provided to their businessmen by the German, English, French, and other Governments. Our present limited program is just not competitive.

We provide, in this bill, additional authority to the Export-Import Bank of Washington to establish a comprehensive program of export credit guarantees and insurance against both political and economic risks. The Bank is authorized to make arrangements with private insurance companies and financial institutions which will enable the Bank to free itself from the technical details of actually issuing policies, but allow it to maintain control over the policy and operations.

Madam President, the Export-Import Bank needs this authority and needs it right now to enable it to establish this program. Every day of delay means that many more sales lost because of the lack of credit terms our competitors can and do offer. On August 18, former Gov. George Docking, now a Director of the Export-Import Bank, wrote to the chairman of the Commerce Committee urging passage of legislation giving the Bank the needed authority. I ask unanimous consent to have the letter printed at this point in the RECORD, in connection with my remarks.

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

EXPORT-IMPORT BANK OF WASHINGTON,
Washington, August 18, 1961.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, U.S. Senate.

DEAR SENATOR MAGNUSON: In February of this year the President directed the Export-Import Bank to develop a new program to place U.S. exporters on a basis of full equality with their competitors in other countries. In compliance therewith the Bank has been conducting negotiations which look toward the creation of an association of insurance companies which will issue comprehensive export credit insurance.

To assist in bringing these negotiations to an early and successful conclusion, the Bank considers it necessary to have legislation enacted in this session of Congress which will clarify the Bank's authority to guarantee, insure, coinsure, and reinsure against risks of loss arising in connection with export transactions; and to extend the life of the Bank from June 30, 1963, to June 30, 1968. As you know, title IV of S. 1729, introduced by Senator ENGLE and reported favorably by the Committee on Commerce, would accomplish these purposes.

We want to take this opportunity to express our hope that Congress will pass such legislation in this session, as it would be of assistance to the Bank in its efforts to place U.S. exporters on a basis of full equality with their competitors.

The Bank also needs legislation authorizing it to establish a reserve equal to 25 percent of the Bank's contractual liability in connection with such export guarantees and insurance. It would be of considerable aid to the Bank in developing its export credit guarantee program if such a provision could be added as an amendment to S. 1729.

We want to take this opportunity to thank you and the Committee on Commerce for your efforts on behalf of this program.

Sincerely,

GEORGE DOCKING,
Director.

Mr. ENGLE. Madam President, that, in summary, is the content of S. 1729. There can be no doubt that there is a need for legislation to improve and implement our export program. The benefit of increased exports to our economy is understood by all. This bill proposes no radical changes, or the institution of subsidies or vast spending programs.

The Foreign Commerce Act of 1961 will provide inestimable aid to our businessmen and exporters by allowing them to compete effectively with other nations. Should we delay in taking such action, we risk the permanent loss of additional foreign markets.

Our domestic economy would benefit immensely from the "shot in the arm" that increased exports would bring about. There would be greater employment and increased earnings, which in turn would produce more tax revenue.

Madam President, I can conceive of no reason why this bill should not receive favorable action, while realizing full well how expensive further delay would be. I urge the Senate to quickly come to grips with this problem by passing S. 1729.

I yield to the Senator from Florida.

Mr. SMATHERS. Madam President, the pending measure of which I am a cosponsor is, in my opinion, one of the most important pieces of legislation to come before the Congress.

We have long recognized the importance of a favorable balance of trade to the Nation's economy. We all realize that in the past few years the United States has suffered from a continuing loss of gold and dollar reserves. We are also conscious of the fact that this loss is not yet appreciably halted. The latest estimate for 1961 is that there will be a deficit of about $1 billion.

While this represents a considerable improvement over the $3.5 to $4 billion losses incurred during the years 1958, 1959, and 1960, we are by no means "out of the woods."

Because of the continuance of our massive economic and military aid programs, there must be a substantial increase in U.S. exports—which presents the only feasible means of recouping these dollars and achieving a favorable balance of trade.

I joined in sponsoring S. 1729 since this measure provides for a well-considered program for increasing our exports. When I say "well considered," I refer to the fact that during the 86th Congress, the Committee on Commerce conducted an extensive study into all aspects of foreign trade. As chairman of the Subcommittee on Latin American Trade, I made a trip to 10 countries in Central and South America to assess the trade situation and submitted a report to the chairman of the committee making a number of suggestions for improving our trade relationship with our Latin American neighbors. Many of these were endorsed by other committee members who had made similar field trips to other parts of the world.

To make our exporters competitive with their counterparts in other trading nations, it is essential that Congress act immediately to establish a credit insurance or reinsurance program comparable to those now in existence in Western Europe and elsewhere. These guarantees would enable American firms to meet the credit competition of Western European, Japanese, and Canadian exporters who are now making significant inroads in world markets, not because they offer better quality goods or lower prices but simply because they can grant more favorable terms than those which U.S. firms can reasonably extend.

In addition, a system of full-time commercial attachés, adequately trained in the intricacies of the governmental labyrinth capable of giving knowledgeable advice when it is solicited on where and how things are done, is of equal importance. These men should have sufficient help so that they are able to investigate trade conditions in the field instead of being chairbound by the demands of their job. The great need is for a catalyst to bring together existing opportunities and the businessmen who can make the most of them. To date, this country has been too little interested in this kind of trade promotion. Trade fairs are fine and we should have more of them. They do much good. But they are only part of the job which must be done.

Legislative action instituting a comprehensive credit guarantee program and establishing a professional career service of commercial officers is before us today in the pending bill.

Our trade position presently is not improving. In fact it is deteriorating. In Latin America, our percentage of the market has been going down every year, while our competitors in Western Europe and Japan have been rapidly increasing their proportionate shares. I doubt that I have to remind the Senate of the inroads now being made by the Sino-Soviet bloc in their efforts to attain economic domination of the underdeveloped nations to the south.

Khrushchev and Mao export hard goods as well as political propaganda. Their commercial officers are both enthusiastic and well-trained trade technicians. They have made astonishing inroads into the economic patterns of Latin America. Our newspapers carry new articles every day of the Russian and Chinese trade missions visiting Central and South America, and of the reciprocal missions sent to Moscow and Peiping.

I was told time and time again by Latin American statesmen, officials, and businessmen that they prefer our goods, products, and services—but that they all too often cannot obtain the favorable credit terms offered by foreign exporters. In some instances they were unable to get sufficient technical information from our embassies concerning our exports.

I will tell the Senate that our businessmen and exporters are doing an A-OK job in their efforts to increase foreign sales, but are shackled by a lack of Government support which their competitors have long since enjoyed.

The provisions of S. 1729 will break those shackles and free U.S. exporters to effectively compete in every foreign market. I do not believe I am too optimistic when I state that I sincerely believe American business with its ingenuity and a little old-fashioned "go get them" salesmanship—will soon be able to turn the tides and rapidly increase our exports to every corner of the world.

I would like to also point out that substantial domestic benefits flow from increased exports. In addition to correcting our balance of payments, new markets and a new demand for goods and services require increased productivity—which in turn means more jobs.

Transporting our exports to such markets would give a well-needed boost to our transportation system—trains and trucks could bring goods to embarkation points. Ships and planes could carry these goods to foreign shores. The economy of every State would benefit from an export promotion program which the pending bill contemplates.

Needless to say, my own State of Florida would reap part of this harvest. Providing the gateway to Latin America, I would expect that the economy of Florida would benefit considerably from any increase in exports to that area. First of all, products and goods manufactured or grown in my State would have an advantage over those from other areas, because of proximity and the corresponding decrease in transportation costs. Moreover, our ports and airports would logically serve as embarkation points for much of the increased traffic. There would be new money in circulation and new employment opportunities in providing the necessary goods and services.

I want to stress the point that the entire Nation will benefit from the export promotion program envisaged by S. 1729—the Foreign Commerce Act of 1961. I hasten to add that we cannot delay, lest other nations capture markets which would otherwise be ours. We must act now, and act decisively to get this program underway. Our exporters are not requesting a subsidy—but an opportunity to effectively compete in the foreign markets, free of the restrictive chains now hobbling their efforts. I urge that the Senate give its support to this program by acting favorably on S. 1729.

Mr. SALTONSTALL. Madam President——

Mr. ENGLE. I yield.

Mr. SALTONSTALL. I offer an amendment which I understand is acceptable to the Senator from California, who is in charge of the bill. The amendment is offered by me, on behalf of the Senator from Alabama [Mr. SPARKMAN] and myself, the two senior members of the Select Committee on Small Business.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out subsection (8) of section 101, title I, and to insert in lieu thereof the following:

(8) to develop, organize, promote, and conduct a program of trade fairs and floating trade fairs, designed to show and sell the products of United States business, and agriculture, large and small, in the commercial centers and ports of the world, said program to include the acquisition, conversion, construction or lease of a suitable vessel or vessels, and the operation thereof by the Government or private enterprise in such manner as the Secretary may deem most economical and effective in carrying out the purposes of this Act;

Mr. SALTONSTALL. Madam President, I understand this amendment is acceptable.

I ask unanimous consent to have printed at this point in the RECORD a brief statement on behalf of the Senator from Alabama [Mr. SPARKMAN] and myself.

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

STATEMENT BY SENATORS SALTONSTALL AND SPARKMAN

I am happy to join with my distinguished colleague from Alabama, the chairman of our Small Business Committee, in offering this important amendment to S. 1729. And I am grateful to the Senator from California, Mr. ENGLE, for accepting it.

This new legislation mentions trade fairs in passing, but we feel that a subject of such great importance to our foreign commerce deserves more attention, deserves clearer authority.

Senator SPARKMAN and I joined in the filing of S.J. Res. 73, and the adoption of our amendment will accomplish the same purpose. We also joined in sponsoring S. 1379, a major provision of which called for an Office of Foreign Trade in the Small Business Administration. I am delighted to report to the Senate that this idea has been approved already by that agency, and is in operation without further statutory direction. This Office can greatly expand the usefulness of this agency, particularly in encouraging small business participation in world trade.

We feel that floating trade ships can be of great value also to U.S. businesses, large and small.

I am delighted that the Senator from California agrees that this amendment is a helpful addition to his bill. I wish to thank him for his cooperation in this matter.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. ROBERTSON. Madam President, I submit amendments which I send to the desk and ask to have stated. The amendments follow the text of Senate bill 2325, which was introduced by me on behalf of myself, the Senator from Indiana [Mr. CAPEHART], the Senator from Alabama [Mr. SPARKMAN], the Senator from Connecticut [Mr. BUSH], the Senator from Pennsylvania [Mr. CLARK] and the Senator from New York [Mr. JAVITS]. They would write into S. 1729 the 25-percent-reserve provisions in S. 2325, thereby making title IV of S. 1729 the same in substance as S. 2325.

Madam President, I ask unanimous consent to have printed at this point in the RECORD a letter I have received from the Chairman of the Export-Import Bank of Washington, indicating why he favors the additional provisions of Senate bill 2325, which I am now offering as amendments to the pending bill.

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

EXPORT-IMPORT
BANK OF WASHINGTON,
Washington, D.C., August 21, 1961.

DEAR SENATOR ROBERTSON: In compliance with the President's directive to the Bank to place the U.S. exporters on a basis of full equality with their competitors abroad, the Bank has been conducting negotiations which look toward the creation of an association of insurance companies which will issue to exporters comprehensive export credit insurance. We anticipate that the private insurance companies soon will agree on the formation of such an association. In order to assist in bringing these arrangements to a successful conclusion, the Bank considers it necessary to have legislation enacted in this session of Congress which will (a) clarify the Bank's authority to guarantee, insure, coinsure, and reinsure against risks of loss arising in connection with export transactions, (b) authorize the Bank to establish a reserve equal to 25 percent of the Bank's contractual liability in connection with such guarantees and insurance, and (c) extend the life of the Bank from June 30, 1963, to June 30, 1968.

S. 2325 which you introduced, and H.R. 8381 introduced by Congressman SPENCE, cover all of these three points. S. 1729, as reported by the Committee on Commerce, covers points (a) and (c).

We wish to take this means of expressing our hope that Congress will pass legislation in this session which will accomplish the three purposes described above. The enactment of such legislation will evidence congressional support of the Bank's efforts to provide expanded export credit guarantees in cooperation with private insurance companies, and will thus be of considerable assistance in placing U.S. exporters on a basis of full equality with the competitors abroad.

Sincerely yours,

HAROLD F. LINDER.

The PRESIDING OFFICER. The amendments will be read.

The LEGISLATIVE CLERK. On page 13, it is proposed to strike out line 7, and insert in lieu thereof the following: "arising in connection with export transactions: and to establish and maintain fractional reserves in connection therewith. The reserves maintained by the Bank for the guarantees, insurance, coinsurance or reinsurance issued pursuant to this section shall be not less than 25 per centum of the related contractual liability of the Bank. Insofar as contracts of guarantee, insurance, coinsurance, and reinsurance are concerned, only that part of the Bank's liabilities represented by reserves provided for above shall be taken into account for the purposes of applying the limitations imposed by section 7 of this Act."

On page 15, lines 6 through 8, strike out "; and to establish such operating and reserve funds, within the limits of the existing capital and reserves of the Bank, as may be necessary".

The PRESIDING OFFICER. Without objection, the two amendments submitted by the Senator from Virgina will be considered en bloc.

The question is on agreeing to the amendments of the Senator from Virginia.

Mr. JAVITS. Madam President, I hope the Senate will understand the real importance of what is being done here today, both by means of the splendid initiative undertaken by the Senator from California [Mr. ENGLE] in accepting the provisions of Senate bill 1729, and by means of the equally critical change being made by means of the amendments submitted by the Senator from Virginia [Mr. ROBERTSON].

When we rush through legislation—and I do not say that invidiously—we have a tendency to fail to recognize its purpose and its critical importance.

Madam President, the bill the Senator from California is presenting to the Senate today relates in a most important way to the export trade of the United States, which amounts to almost $20 billion a year, and determines the employment in the United States of between 4 million and 5 million persons. The amendments which the Senator from Virginia [Mr. ROBERTSON] has submitted—and I understand that the Senator from California will accept them—put the Export-Import Bank for the first time in an effective position to enable our export trade to compete with the export trade of the United Kingdom, France, Germany, Belgium, Holland, Japan, and the other industrialized nations of the world, by enabling the Export-Import Bank effectively—and I think the RECORD should show precisely what that means—to guarantee and insure export credits, both short term and long term, with a heavy emphasis upon insuring against political risks, but also taking some of the commercial risks, and permitting the Export-Import Bank to back up such guarantees and insurance with a 25-percent capital reserve, thereby giving the Bank increased ability to make such guarantees.

This is to be done in cooperation with a large number of U.S. banks and insurance companies which, in cooperation with the Export-Import Bank, will handle these credits. In addition, the life of the Export-Import Bank will be extended 5 years, from 1963 to 1968—which is necessary in order to enable the Bank to undertake so momentous and sizable a program.

Of course all of us want the bill to be enacted. There is some dispute as to the utilization of diplomatic officials who are particularly concerned with commerce. The Senator from California would prefer to have them treated in one way; others prefer another way. But in my opinion that point is not critical to the bill.

What is critical is the enactment of the bill. We want it enacted. But if it is not enacted, at least let the RECORD show clearly that at the very least the substance of the amendments of the Senator from Virginia must become law, because they are indispensable to the expansion of our trade and, indeed, to enabling the export trade of the United States to compete with the export trade of the other industrialized nations of the free world.

Mr. ENGLE. Madam President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. ENGLE. I agree completely with the statement the Senator from New York has made.

I should like to add that the amendments offered by the Senator from Virginia make the bill we have brought forward conform, insofar as the Export-Import Bank provisions are concerned, with the bill which his committee separately and individually reported.

I recognize that there are some problems in regard to other aspects of this legislation.

I hope that when the bill is passed, the Senate thereafter will pass the more limited bill of the Senator from Virginia, so that both bills will be before the House of Representatives. Then, if there is difficulty in proceeding with the overall legislation, at least the parts relating to the Export-Import Bank—regarding which the bills will conform when these amendments are adopted—at least a bill can be acted on, because of the emergency nature of those requirements.

I appreciate very much the contribution made by the Senator from New York and the cooperation and contribution of the Senator from Virginia.

Mr. MAGNUSON. Mr. President, will the Senator from California yield?

Mr. ENGLE. I yield.

Mr. MAGNUSON. I wish to compliment the Members of the Senate who are engaging in this task, particularly the Senator from California and the other Members who have been most active in this work.

The Commerce Committee made a long and exhaustive study of the entire matter of foreign commerce, during the last 2 years. That work was well done. Many suggestions were made by the staff to the committee members; and this bill carries out some of the more important recommendations.

While we were making the study in the field of foreign commerce, we kept running into the situation caused by the balance-of-trade deficit. This measure is one of the positive approaches to that problem, as the Senator from New York has pointed out.

Another major problem we encountered in connection with our foreign trade study was the matter of export credit guarantees and insurance. In that connection, American exporters have had no chance to compete with other exporters whose governments provided such guarantees.

After our study was completed, the Export-Import Bank proceeded, by means of executive action, to ease the restrictions on export guarantees and to lessen the difficulties involved. It did what it could in that connection, but those steps did not result in what was needed or desired. The desired result can be obtained only by following the proposals these Senators have made.

The study by the Committee on Commerce has already resulted in the approval of the travel bill, in which the Senator from New York and I have been interested; and the bill now before the Senate is the outcome of another of the recommendations.

I wish this to be shown in the RECORD, because sometimes Congress is criticized for making studies, holding inquiries into various problems, hearing witnesses, arriving at conclusions, drawing up reports based on that long, detailed process, and then permitting the reports to lie in pigeonholes. Here is one case in which the Commerce Committee started a study a long time ago, even before we had this serious problem of balance of payments. The bill of the Senator from California is very positive evidence of doing something about this problem in the United States.

Mr. JAVITS. Madam President, I wish to yield to the chairman of the Committee on Banking and Currency, [Mr. ROBERTSON], so he may put some necessary papers into the RECORD, and I ask unanimous consent that I may then regain the floor, as I have some other remarks to make.

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

Mr. ROBERTSON. Madam President, when we complete action on the pending bill, I am going to ask that we call up S. 2325, which is in substance the same as title IV of S. 1729, as revised by the amendment we have just adopted to the pending bill, and which has been explained by the distinguished Senator from New York.

In the pending bill, as revised by my amendment, and S. 2325, the essential part is to guarantee exporters' accounts in other countries against special risks. There are insurance companies ready and willing to guarantee an exporter's account against ordinary commercial risks, but they want the Government to back them up, particularly in the case of political risks, such as expropriation and currency revaluation.

I ask unanimous consent to have printed in the RECORD reports of agencies, which were unanimous in their action, and a statement indicating the purpose and meaning of the bill.

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

PURPOSE OF THE BILL

S. 2325 would amend the provisions of the Export-Import Bank Act of 1945 which relate to export credit guarantees, by clarifying the provisions relating to insurance of exports so as to make it clear that the Export-Import Bank is authorized to insure, coinsure, and reinsure against risks of loss arising in connection with export transactions, and by authorizing the Bank to establish fractional reserves in connection with such export guarantees in the amount of at least 25 percent of the related contractual liability of the Bank. In addition, S. 2325 would extend the expiration date of the act from June 30, 1963, to June 30, 1968.

These amendments would make it possible for the Export-Import Bank to provide greater assistance to U.S. exports through an expanded program for insuring or guaranteeing such exports. Under the provisions of S. 2325, the Bank would be in a position to provide assistance to American exporters fully equivalent to those provided to exporters of other nations. The assistance so provided would help to solve the balance-of-payments problem of the United States by increasing exports. These added exports would be of benefit to the domestic economy and to our international interests.

HISTORY OF THE LEGISLATION

The Export-Import Bank was originally established in 1934. Its charter has been amended from time to time, and its powers and financing increased by legislation reported from the Banking and Currency Committee. The Export-Import Bank was completely revised by the Export-Import Bank Act of 1945, following hearings before this committee. In 1953, the committee made a thorough study of the Bank's operations in Latin American countries and filed an extensive report (S. Rept. 1082, 83d Cong.). This study, together with other hearings before this committee in connection with S. 3589, 83d Congress, resulted in the Export-Import Bank Act Amendments of 1954, which reorganized the Bank. And most recently, its lending authority was increased from $5 billion to $7 billion, and its authority to borrow from the Treasury was increased from $4 billion to $6 billion by Public Law 85-424, approved May 22, 1958. The previous year, the Export-Import Bank's duration was extended from June 30, 1958, to June 30, 1963, by Public Law 85-55, 86th Congress.

Subsection (c) of paragraph 2 of the Export-Import Bank Act authorizes the Bank to provide insurance for U.S. exports against certain political kinds of risks. This section was added to the act by Public Law 30, 83d Congress, approved May 21, 1953. This bill originated in S. 1413, introduced by Senator Maybank, for himself and Senator CAPEHART, and reported to the Senate by Senator BUSH (S. Rept. 169, 83d Cong.) after hearings had been held by this committee. Export insurance was again under consideration by the committee in 1956, when hearings were held on S. 2256, 84th Congress, introduced in 1955 by Senator FULBRIGHT, then chairman of the committee.

Recently several studies have been made which have indicated the need for increased programs to assist U.S. exports. The Senate Select Committee on Small Business held hearings in New York, New Orleans, and San Francisco in November and December 1960, on the subject of small business exports and the world market. A report was filed by Senator SPARKMAN for the select committee on March 27, 1961 (S. Rept. 89, 87th Cong.). This report recommended that additional export credit insurance should be provided by the Bank. The Committee on Interstate and Foreign Commerce made an extensive study of foreign commerce and held hearings on export credit guarantees in April of 1960. This study also disclosed the importance of export credit guarantees to U.S. exports and the need for increasing this program.

In his message on the U.S. balance of payments (H. Doc. No. 84, 87th Cong.), the President listed among the necessary measures, to correct the basic payments deficit and achieve longer term equilibrium, export guarantees and financing. He stated:

"4. Export guarantees and financing: Our Export-Import Bank must play an increasingly important role in our export promoton efforts. Last year the Export-Import Bank announced a widening of the facilities which it offers for extending credit to American exporters. Despite the improvements made, these facilities are not yet adequate, nor are they comparable to those offered by foreign countries, especially those offered to small- and medium-sized exporting concerns and those offered for the financing of consumer goods. I am directing the President of the Export-Import Bank, by April 1, to prepare and submit to the Secretary of the Treasury, as Chairman of the National Advisory Council on International Monetary and Financial Problems, a new program under the Export-Import Bank to place our exporters on a basis of full equality with their competitors in other countries. Also, I have asked the Secretary of the Treasury to initiate and submit by the same date a study of methods through which private financial institutions can participate more broadly in providing export credit facilities."

In accordance with the President's recommendations and following up on the recommendations of congressional groups, the Export-Import Bank has been working to develop programs for export credit insurance. The Bank has been holding meetings with insurance companies and others in the field in order to institute such a program. The Bank has reported that legislation along the lines of S. 2325 would be of great assistance in establishing such an insurance program.

Several bills have been introduced in the 87th Congress which would strengthen the Bank's authority in this field. Two of these bills, S. 852 and S. 1729, which contain numerous provisions other than those relating to credit insurance, were referred to the Commerce Committee which has now reported out S. 1729, as amended (S. Rept. 744, 87th Cong.). As reported, title IV of S. 1729 would clarify the authority of the Export-Import Bank in the field and extend its existence. Title IV of S. 1729 does not contain the provision for a 25-percent reserve for the credit insurance program. An amendment to S. 1729 has been introduced which would accomplish this.

Other bills in this field have been referred to the Banking and Currency Committee because of its jurisdiction over the Export-Import Bank—S. 1379, S. 2264, and S. 2325.

The committee has received from the President of the Export-Import Bank a letter, dated August 21, 1961, strongly urging legislation along the lines of S. 2325 at this session of Congress. Upon receipt of this letter, S. 2325 was considered by the committee and ordered reported.

The above letter from the Export-Import Bank and other favorable reports on the bill are printed below as part of this report.

DEPARTMENT OF STATE,
Washington, D.C., August 25, 1961.

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency.

DEAR MR. CHAIRMAN: The Department of State appreciates the opportunity to provide you with its comments on S. 2325 now pending before the Senate Banking and Currency Committee.

While recognizing that the bill is of primary concern to the Export-Import Bank, the Department is pleased to state that it fully concurs in the amendment which would: (1) Authorize and empower the Export-Import Bank to (a) guarantee, insure, coinsure, and reinsure against risks arising in connection with export transactions; and (b) establish and maintain fractional reserves, not less than 25 percent of the related contractual liability of the Bank, in connection therewith; (2) permit the Bank to issue such guarantees, insurance, coinsurance, and reinsurance to or with exporters, insurance companies, financial institutions, or others, and where appropriate employ any of the same to act as its agent in the issuance and servicing of such guarantees, insurance, and reinsurance, and the adjustment of claims thereunder; and (3) provide for the continuation of the Export-Import Bank for an additional 5 years, that is, until June 30, 1968.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary
(For the Secretary of State).

TREASURY DEPARTMENT,
Washington, D.C., August 25, 1961.

Hon. A. WILLIS ROBERTSON,
Chairman, Banking and Currency Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request of July 28, 1961, for the views of this Department on S. 2325, to amend the Export-Import Bank Act of 1945.

The first section of the proposed legislation would amend section 2(c) of the Export-Import Bank Act of 1945 to specifically authorize the Export-Import Bank to establish a guarantee and insurance program to assist the expansion of U.S. exports. It would also authorize the bank to participate with private institutions in the extension of such insurance and guarantee facilities and would provide for the establishment by the Bank of fractional reserves of not less than 25 percent of the bank's contractual liabilities on account of any guarantees, insurance, etc., issued pursuant to the section. For the purposes of applying the limitations on the lending authority of the Bank imposed by section 7 of the Export-Import Bank Act, only that part of the bank's liabilities on such contracts of guarantee, insurance, etc., which is represented by such reserves, would be taken into account. The second section of the proposed legislation would provide for the extension of the termination date of the Export-Import Bank from June 30, 1963, to June 30, 1968.

The first section of the proposed legislation would carry out a recommendation made by the President in his balance-of-payments message to Congress of February 6, 1961, that as part of our program for achieving equilibrium in our basic balance of payments through the promotion of exports, the facilities of the Export-Import Bank for extending credit to American exporters should be widened with a view to placing our exporters on a basis of full equality with their competitors in other countries.

With regard to the second section of the bill, which extends the termination date of the Export-Import Bank, the Treasury Department is of the opinion that the financial facilities afforded by the Bank have played an important role in promoting the foreign trade of the United States and in the development of our foreign economic policy.

The Department further believes that the facilities of the Bank will be needed for these purposes during the period indicated in the legislative proposal.

Accordingly, it is recommended that this proposal be given favorable consideration.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

ROBERT H. KNIGHT,
General Counsel.

EXPORT-IMPORT BANK
OF WASHINGTON,
Washington, D.C., August 21, 1961.

Hon. A. WILLIS ROBERTSON,
Chairman, Banking and Currency Committee, U.S. Senate.

DEAR SENATOR ROBERTSON: In compliance with the President's directive to the Bank to place U.S. exporters on a basis of full equality with their competitors abroad, the Bank has been conducting negotiations which look toward the creation of an association of insurance companies which will issue to exporters comprehensive export credit insurance. We anticipate that the private insurance companies soon will agree on the formation of such an association. In order to assist in bringing these arrangements to a successful conclusion, the Bank considers it necessary to have legislation enacted in this session of Congress which will (a) clarify the Bank's authority to guarantee, insure, coinsure, and reinsure against risks of loss arising in connection with export transactions, (b) authorize the Bank to establish a reserve equal to 25 percent of the Bank's contractual liability in connection with such guarantees and insurance, and (c) extend the life of the Bank from June 30, 1963, to June 30, 1968.

S. 2325, which you introduced, and H.R. 8381, introduced by Congressman SPENCE, cover all of these three points. S. 1729, as reported by the Committee on Commerce, covers points (a) and (c).

We wish to take this means of expressing our hope that Congress will pass legislation in this session which will accomplish the three purposes described above. The enactment of such legislation will evidence congressional support of the Bank's efforts to provide expanded export credit guarantees in cooperation with private insurance companies, and will thus be of considerable assistance in placing U.S. exporters on a basis of full equality with their competitors abroad.

Sincerely yours,

HAROLD F. LINDER.

THE SECRETARY OF COMMERCE,
Washington, D.C., August 25, 1961.

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of this Department with respect to S. 2325, a bill to amend the Export-Import Bank Act of 1945; and S. 2264, a bill to provide for the continuation of the Export-Import Bank for an additional 5 years.

S. 2325 would authorize the Export-Import Bank to guarantee, insure and reinsure directly, by coinsurance or through insurance companies or financial institutions against risks of loss from export transactions. It would also authorize the Export-Import Bank to establish and maintain fractional reserves in connection with such guarantees or insurance. Finally, it would extend the Bank's authority from June 30, 1963, to June 30, 1968. S. 2264 would accomplish only the last purpose.

The Export-Import Bank has, over the years, performed an extremely useful function in financing the export of American products. With the institution of the export expansion program in the spring of 1960, it broadened the scope of its activities, developed procedures for closer relations with commercial banks, and put into operation a system of political risk guarantees of short-term export transactions. These changes in policy greatly increased the usefulness of the Bank to the export community and contributed to the initial successes of the export expansion drive.

In the light of the experience of the last half of 1960, the President directed the Export-Import Bank to institute policies and procedures which would make the credit and credit guarantee facilities offered our exporters second to none. In fulfillment of this directive, the Export-Import Bank announced on March 24 a series of changes in policy which would serve to make its financing activities available to more exporters and at the same time eliminate a good many of the delays which had detracted from the usefulness of these facilities. Simultaneously, it announced that it was working on plans for comprehensive guarantees of export transactions in collaboration with insurance companies and other private institutions.

S. 2325 would be very helpful to the Bank in concluding and administering the kind of arrangements with insurance companies, banks, and other financial institutions which are necessary if its announced policies are to be fully effective.

While the authority to guarantee, insure, coinsure, and reinsure, either directly or through agents, would seem to be implicit in the broad grant of authority which the Congress has already made to the Bank, it is desirable that these powers be made explicit. The explicit statement of powers would contribute to the success of the arrangements which the Bank is undertaking, and would represent an express congressional approval of the course of action which the Bank is pursuing. The authority to maintain fractional rather than full reserves would be consistent with usual business practice and the practice which the Congress has authorized in the case of the Development Loan Fund and International Cooperation Administration guarantee systems. Finally, the early extension of the Bank's life would place it in a better position to develop the kind of long-range program for assisting American exporters with their financial problems which is so necessary under our present circumstances.

In the event that the Congress passes S. 2325, S. 2264—which is identical with section 2 of S. 2325—would be unnecessary.

In view of the considerations briefly outlined above, this Department, which is charged with the major responsibility for expanding our exports, strongly endorses S. 2325.

The Bureau of the Budget advised there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

EDWARD GUDEMAN,
Under Secretary of Commerce.

Mr. ROBERTSON. Madam President, after we finish acting on the pending bill, I shall ask unanimous consent to bring up S. 2325.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Virginia.

The amendments were agreed to.

Mr. JAVITS. Madam President, first let me express my gratification at the way in which two committees can get along. I wish to congratulate both my colleagues from Virginia and Washington, as well as the floor manager of the bill. There could have been a real collision between these two very important Senate committees, but through the intelligent way in which it has been handled not only has that been avoided, but the cause, which is the important thing, has been forwarded.

I think I would be remiss in my duty, because of my deep concern in this question, if I did not call attention to the fact that this is a bill for export promotion. Also, I bring attention to the fact that nobody can buy from us unless they sell to us. So let those who have stood on the floor here inveighing against the competition of imports bear in mind that when we pass a bill like this, which is vital to the economy of our country, also undertake to understand the importance of the export situation which affects our country.

I have a bill pending with the Senator from New Jersey [Mr. CASE], which relates to the problems of imports into the United States and endeavors to find some way of dealing with the problem where the concentration of imports has materially harmed American business. I know we shall be into the subject up to our ears in connection with the extension of the Reciprocal Trade Agreements Act, and I shall not detain my colleagues with a statement on it this afternoon, except to point out, and it is inherent in this debate, that as we strive to move toward the step which is embodied in the bill from the Banking and Currency Committee, and the bill of the Senator from California, we are taking a big step forward in relation to expanding American exports, with the enormous implication of range that it has in domestic employment, aid to underdeveloped areas, in terms of good will to the whole world, and in the facilitation of our own place in the world in terms of our own prestige. But this involves our having imports, and let us not forget it.

Madam President, in that connection, it not only involves the import problem, as to which the Senator from New Jersey [Mr. CASE] and I recommend the idea of adjustment assistance—as I say, we will come to that in another debate—but it also involves the opportunity for imports. Included in that opportunity is the opportunity for foreigners to show their wares in our own country.

S. 1729 has a fine provision with respect to encouraging our participation in trade fairs abroad as a part of our export expansion. I had hoped to go further and to have the proposal for an export commission adopted, but that can be done by Executive action, so I am not too despondent by its omission.

As the Senator from California [Mr. ENGLE] has said, there are enough problems involved without taking on another one.

I am sorry title 5 was stricken out, the intention having been to utilize counterpart funds piled up under Public Law 480, the Agricultural Trade Act under which we sell so much of our produce abroad in return for counterpart currencies, and also to expand our exports.

A correlative aspect of it would be an opportunity for foreigners also, utilizing these piled up currencies, which now run into billions of dollars in face amount, to send trade exhibitions and trade fairs to our country, thus stimulating the two-way intercourse which is the very essence of the life of trade.

The committee did not see fit to include that title. I can understand why. I utilize this time merely to express the hope that the committee will not relinquish its study of the problems of counterpart currencies, so that they may be used going both ways, to develop our exports as well as the opportunity for foreigners to show their wares in this country, so that those currencies may not go down the drain.

That provision is not included in the bill. I understand why, but I call attention to that fact.

The bill has one other purpose. Again I hope the people of our country will pay strict attention to this situation. We are about to have, because diplomatically it seemed wise to encourage it, far greater competition in respect of export trade than we have ever had before in terms of the European Economic Community, otherwise known as the Common Market, which is going to be expanded by the inclusion of Great Britain. It is estimated that 25 percent of our total exports will now be moving into the European Economic Community. That is an enormous proportion. Obviously, if the Economic Community were to use even a fraction of the devices which are available to them, we could be very materially harmed. That is all the more reason why we should show the enterprise which is shown in this bill.

I hope very much that when we get to the issue next year we will show enterprise again in the consideration of the extension of the Reciprocal Trade Agreements Act. I have the honor to be chairman of the NATO interparliamentary committee, which is made up of representatives of 16 parliaments. Hence my acquaintance with the situation.

I hope we will all understand that situation, though we may lose more exports to the new European Economic Community with its tremendous bloc of power, which is likely to reach a population of 300 million, with a gross national product equaling our own, somewhere in the area of $500 billion a year. So we are dealing with a vital part of our whole society.

We may lose some exports, but we will more than gain what we lose by utilizing the increased standard of living that the people in the Common Market itself, which has now materially increased its own economic well-being by nearly 40 percent, and can meet this potential by adapting ourselves to meet the new opportunity which the world affords us, as well as the new challenge.

It is in that spirit that I think we ought to understand the bill which the Senator from California has brought up, as well as the one from the Banking and Currency Committee, S. 2325, to which the Senator from Virginia [Mr. ROBERTSON] has referred.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 1729) was ordered to be engrossed for a third reading, and was read the third time.

Mr. KEATING. Madam President, this is an extremely important measure. The State of New York has a great many firms engaged in the export trade, or which could and would seek foreign markets, given the incentives provided in S. 1729. To improve and facilitate our export trade is the best and most direct way to deal with our balance-of-payments situation. There is wide agreement on this point.

There are many exporters in the State of New York, particularly New York City. This bill goes beyond our borders and includes not only many areas but many types of products. For example, the American Farm Bureau has done a great deal to assist in the export of agricultural products. This is a new and important field, as I pointed out earlier this week in a statement delivered on the floor of the Senate.

This measure would permit a very substantial expansion of export credit guarantees, principally from the Export-Import Bank. Without these guarantees we cannot expect American business firms to indulge in the expansion of their operations which is necessary in connection with meeting our overall balance-of-payments situation.

Almost all of the major trading nations of the world have established or encouraged the establishment of comprehensive export credit guarantee programs. These guarantees, which are actually a form of insurance, enable an exporter to obtain the necessary advance credit he will need in order to sell his goods overseas. In most cases, export credit guarantee programs are financed by the government, thus putting exporters in the countries involved in a much better competitive position, vis-a-vis their American counterparts.

Export credit guarantees are especially beneficial to American small businesses, who for obvious reasons often do not have the necessary cash available to plan and finance long-range oversea transactions.

This is, of course, not the entire story. We must also come to grips with the problems relating to certain types of imports. There are communities throughout our country—several in the State of New York—which have been seriously affected by imports from low-wage countries. These countries have a wage rate not more than a small fraction of the wage rate in the United States.

As I said, this bill represents the most direct and logical way—and, if we had an ideal world situation, it would be desirable to have it the only way—to meet our balance of payments. But it is not that simple.

I have proposed a partial solution on this side of it, which I think is realistic and responsible. My bill is S. 675. I hope the Senate will review and consider this measure in the near future. I note that the administration has shown some interest in this area, as regards imports. I hope this will prove to be an encouraging sign for the future.

I commend the distinguished Senator from California for bringing the measure before the Senate. I hope that in the legislative process we shall work out and formulate a bill which, after conference, will become law. It will certainly mean the dawning of a new day for export commerce from this country.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1729) was passed.

PROHIBITION OF LIQUOR ADVERTISING OVER BROADCAST FACILITIES

Mr. MAGNUSON. Madam President, on August 23, 1961, the Senator from Rhode Island [Mr. PASTORE] and I dispatched a letter to the Honorable LeRoy Collins, president of the National Association of Broadcasters. I wish to read the letter, which I think should be brought to the attention of the Senate:

DEAR MR. COLLINS: Recently our attention has been drawn to the recurrent rumors as well as stories in trade publications concerning the plans of certain large distilling companies to use broadcast facilities to advertise liquor.

As chairman of the Senate Committee on Commerce, and chairman of the Subcommittee on Communications, we think this is of grave importance to the American public. You will recall that the Committee on Commerce has held numerous hearings with regard to this issue, specifically the bills that would prohibit the advertising of liquor on radio and television.

When the broadcasting industry spokesmen appeared before this committee they urged that no action be taken with regard to the legislation because the industry was capable of handling the situation itself. It was generally agreed that this type of advertising should not be permitted and as an indication of its good faith adopted provisions in its code to the effect that stated "the advertising of hard liquor should not be accepted."

We applauded the industry for this approach because it was consistent with our view that self-regulation is more desirable than legislation.

We were, therefore, surprised and amazed with the current flock of stories about the attempts to break down this hard liquor barrier by certain broadcasters. In these trying times, with criticism of the broadcast industry mounting—particularly in the programing field—it would be foolhardy to permit the provision of the broadcasting code regarding hard liquor advertising to become meaningless.

We would appreciate a reply from you as to what steps the industry has taken to live up to the code and to indicate whether there is any substance to the stories on this issue.

We think we should point out at this time that we stand ready to move ahead with appropriate legislation in the event self-regulation proves to be ineffective. Also, that we propose to call upon the Federal Communications Commission to take into consideration the type and kind of advertising broadcast by a licensee when it considers that license for renewal.

No one, we are sure, will disagree that the public interest, convenience, and necessity is not being served by the broadcasting and televising of liquor advertising into the American home. While we are aware that broadcast licensees are all anxiously looking for new sources of revenue, we never believed that they would be so lacking in their sense of public responsibility as to even consider the broadcast of liquor advertising.

Madam President, the reply by Governor Collins is as follows:

DEAR MR. CHAIRMAN: Receipt is acknowledged of your letter of August 23.

The advertising of hard liquor is banned in unequivocal terms in both the radio and television codes of the National Association of Broadcasters. To our knowledge, adherence by code subscribers is complete. This is true despite considerable pressure by some distillers and their agents to breach the line.

You may be assured that every effort will be made to continue this fine record. If a breach should occur, our NAB code enforcement will be prompt and decisive.

Unfortunately, all broadcasters do not now subscribe to our codes. Subscription is voluntary, and nonsubscribers are not obligated to conform to code standards. It is also true that all code subscribers are not members of the NAB. All broadcasters, however, regardless of membership in the NAB, are urged to subscribe. This is so because of the strong desire of the NAB to have its code standards as universal and all embracing as possible.

We deeply appreciate your writing. You are correct in your assumption that in our view self-regulation in the tradition of free enterprise is much to be preferred over legislative stricture.

If you have any specific information of any violation of our codes in this or any other respect, we urgently request that you advise us thereon for our prompt investigation and any needed disciplinary measures.

With the total industry behind our efforts in these delicate areas, such problems would not arise. I am hopeful that the strengthening of our code operations and its greatly stepped-up activity in the coming weeks will enable us to impress more clearly on broadcasters the folly of carrying this advertising.

I also am pleased to say that today I received a letter from the Distilled Spirits Institute, the office of the president. I wish to read this letter into the RECORD in full.

DEAR SENATOR MAGNUSON: Your letter of August 23 to Governor Collins of the National Association of Broadcasters, regarding airwaves advertising of distilled spirits, is certainly a vindication of the attitude of this institute whose members have been opposed to such advertising and have voluntarily refrained from its use for more than 25 years—

Which is correct—

No legislation, nor ban, for that matter, should be necessary. Far more appropriate is the Distilled Spirits Institute code which has never been breached by any member.

Your moral support is of value beyond estimate to persuade nonmembers of the institute that its rules of self-conduct are based on commonsense that should be respected by all.

The issue is not settled, Madam President, but I desire to have the Senate know that the committee, the Senator from Rhode Island [Mr. PASTORE], and I have been very conscious of this situation. I hope there will not be any breakthrough or letting down of the voluntary code under which the broadcasters have lived for 25 years. I think it would be more than serious at this time, with the programing problem over the networks, to inject into the argument hard liquor advertising over that great medium known as television.

AMENDMENT OF EXPORT-IMPORT BANK ACT OF 1945

Mr. ROBERTSON. Madam President, earlier today there was reported the bill, S. 2325, to amend the Export-Import Bank Act of 1945. I ask unanimous consent that the Senate proceed to the consideration of the bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2325) to amend the Export-Import Bank Act of 1945.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERTSON. Madam President, as I previously indicated, the substance of this bill has already been included in S. 1729, as amended, on which the Senate has completed action.

As pointed out by the distinguished senior Senator from New York, there never was a time when it was more important for us to put the full weight of our Government behind our exporters. The fact that Great Britain will become a member of the Common Market in Europe indicates that competition in foreign markets will be intensified.

The purpose of the proposed legislation is to do for our exporters what the governments of the Common Market countries are doing for the exporters of Western Europe; that is, to stand behind them and to guarantee or insure their accounts when they go into countries in which there might be some upheaval of some kind.

The explanation of the bill, excerpts from the committee report, and the departmental reports have already been printed in the RECORD. Helpful statements have been made by both Senators from New York. I merely add that great help on this proposed legislation was furnished by the distinguished Senator from Indiana [Mr. CAPEHART]. He was a copatron of a bill in the 83d Congress with the chairman of the committee at that time, the late Senator Maybank. The bill, S. 1413, inserted into the Export-Import Act the section which S. 2325 would clarify and expand. This bill became Public Law 30, approved May 21, 1953. The Senator from Indiana has also been a copatron on many other bills to strengthen the law in aid of exporters.

The members of the committee unanimously support this proposed legislation.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2325) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 2 of the Export-Import Bank Act of 1945 is amended to read as follows:

"(c) (1) The Export-Import Bank of Washington, in furtherance of its objects and purposes under this Act, is authorized and empowered to guarantee, insure, coinsure, and reinsure against risks of loss arising in connection with export transactions; and to establish and maintain fractional reserves in connection therewith. The reserves maintained by the Bank for the guarantees, insurance, coinsurance, or reinsurance issued pursuant to this section shall be not less than 25 per centum of the related contractual liability of the Bank. Insofar as contracts of guarantee, insurance, coinsurance, and reinsurance are concerned, only that part of the Bank's liabilities represented by reserves provided for above shall be taken into account for the purposes of applying the limitations imposed by section 7 of this Act.

"(2) The Bank may issue such guarantees, insurance, coinsurance, and reinsurance to or with exporters, insurance companies, financial institutions, or others, or groups thereof, and where appropriate may employ any of the same to act as its agent in the issuance and servicing of such guarantees, insurance, coinsurance, and reinsurance, and the adjustment of claims arising thereunder."

SEC. 2. Section 8 of the Export-Import Bank Act of 1945 is amended by striking out "June 30, 1963" and inserting in lieu thereof "June 30, 1968".

TRANSFER OF CERTAIN LANDS TO VICKERS BROS.

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 743, H.R. 3596.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 3596) to direct the Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

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

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 3596) was ordered to a third reading, was read the third time, and passed.

The PRESIDING OFFICER. Without objection the companion bill, Calendar No. 740, S. 724, will be indefinitely postponed.

INVESTMENT IN CAPITAL STOCK BY INTERNATIONAL FINANCE CORPORATION

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 665, H.R. 6765.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6765) to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

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

Mr. MANSFIELD. Madam President, H.R. 6765 would permit a change to be made in the charter of the International Finance Corporation which would enable the IFC to do more to fulfill its goal of promoting private enterprise in the free world. The IFC is an international organization created to stimulate private investment in its member underdeveloped countries, which are also members of the International Bank for Reconstruction and Development. In association with foreign and American private capital, the IFC invests in promising private enterprises in underdeveloped countries for a limited period in order to get them started; it then seeks to sell its interests to replenish its revolving fund and permit further investments.

I yield to the distinguished chairman of the Senate Committee on Foreign Relations.

Mr. FULBRIGHT. Madam President, the bill would authorize our representative on the Board of the International Finance Corporation to agree to an amendment of the articles of that organization. The effect of accepting this amendment will be to permit the International Finance Corporation, in addition to its normal financing operations, to purchase common stocks in certain enterprises when that appears to be the best way to provide assistance.

Members of the Senate will recall that the International Finance Corporation was established in 1956. Its authorized capital was fixed at $100 million, of which the United States subscribed $35.2 million.

The basic purpose of the IFC is to encourage the development of private business enterprises in less developed countries which in many instances have virtually no capital available for investment. At the time the International Finance Corporation was created it was anticipated that its investments in private business enterprises abroad would consist almost exclusively of loans. Although some individuals felt that the International Finance Corporation should have been permitted to purchase common stocks as a method of aiding private enterprise in less developed countries, it was decided to limit investments to those of a nonequity nature.

During the past 4 years of operating experience, the International Finance Corporation has been only modestly successful. It has made some 40 investments, totaling $44 million, in 18 countries, mostly in medium-size and small manufacturing industries. IFC investments have served to induce private investors to supply over $125 million into the same enterprises that the IFC has supported.

One of the reasons why the International Finance Corporation has not been more active is because of the existing prohibition against investment in capital stock. The President has recommended, therefore, that the IFC be authorized to make such equity investments.

The Board of Governors of the IFC supports this recommendation and the House of Representatives, on June 19, approved the pending bill by a vote of 328 to 18.

It should be made clear that the basic purpose of the International Finance Corporation is to promote private enterprises in underdeveloped countries. It does this by encouraging the creation of private businesses with the idea that once the business is on its feet, so to speak, the IFC would then divest itself of its interest in the business, selling its debentures to private enterprise, or private purchasers.

Forty-seven of the fifty-nine states members of the IFC have already approved the proposal embodied in this bill. I hope very much, therefore, that the Senate will approve it.

The Secretary of the Treasury has strongly recommended the measure. I ask unanimous consent to have the letter of Secretary of the Treasury Dillon, under date of August 24, 1961, printed at this point in the RECORD.

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

THE SECRETARY OF THE TREASURY,
Washington, August 24, 1961.

Hon. J. WILLIAM FULBRIGHT,
U.S. Senate.

DEAR SENATOR: Under the provisions adopted by the IFC Directors in submitting the current charter amendment to governments for approval, votes were to be received from governments on or before September 1, 1961. Should the United States be in a position to record its favorable vote by this date the charter amendment would be effective, as enough other governments have ratified to provide the necessary 80 percent when added to the U.S. vote. Therefore, I hope very much it may prove possible for the Senate to act favorably early next week.

The alternative would be a request by the U.S. Government to the IFC to extend the time limit for receiving votes, a request which I would prefer not to make unless it proves absolutely necessary.

Sincerely,

DOUGLAS DILLON.

Mr. FULBRIGHT. Mr. Garner, who has been the president of this organization, appeared before the committee at a long session, in which he explained in great detail the necessity for this change. I hope that the Senate will accept it.

Mr. JAVITS. Madam President, I support the bill. I will not, of course, repeat the words already stated so very well by the distinguished chairman of the Committee on Foreign Relations.

The need for greatly increased private capital investment in enterprises in developing areas is urgent. The debt-equity ratio in the financing of private enterprise in the less developed areas is much too high for sound economic growth. While, in the United States, manufacturing enterprises have approximately $2 of equity investment to each dollar of debt, the ratio in even the most stable manufacturing enterprises located in the less developed areas is about $1 of equity to $1 of debt. The fixed and often high interest rates that have to be paid on this large proportion of debt severely hamper the growth of these enterprises, especially during their formative years when large reinvestments should be plowed back into the business.

Equity investment by IFC can help to improve this situation and will serve to encourage private enterprise efforts in the developing nations. Madam President, I believe that these results are very much in line with the foreign policy objectives of the United States and with our desire to strengthen freedom of choice and initiative in the emerging free world nations. I therefore favor this bill, and hope it will pass.

Mr. DIRKSEN. Madam President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. DIRKSEN. In looking back over the record on this bill, I noted in the hearings that, when the original act was passed, Secretary Humphrey testified before the committee and indicated that the Treasury had deleted the idea of acquiring equities for fear that under certain circumstances we might have a situation in which Government would have to step in to protect its interest and then become the operator of any kind of enterprise in which equities were involved. It may be that the situation has changed since that time. I do not know. The point was not too sharply pressed then.

Of course, I can see the wisdom of the caution that was uttered by Secretary Humphrey at that time, but not having heard the testimony on the instant bill, I am sure that members of the Committee on Foreign Relations are in a better position to comment. Other than that I have no objection if the measure is regarded as necessary.

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HICKENLOOPER. I believe that the Senator from Arkansas, the chairman of the Committee on Foreign Relations, has probably stated the case for the adoption of the bill. I happen to be opposed to it for certain reasons.

Basically, I oppose it because I believe the opening up of the charter of the International Finance Corporation to authorize the Corporation to buy common stocks in foreign corporations is an unwarranted and improper invasion of the governmental function into private enterprise.

There is no one in the Chamber who is more in favor of encouraging private enterprise than I am, but I believe it should be encouraged by private enterprise and private activity.

The charter of the International Finance Corporation authorized the Corporation to make loans to private business and private activities, such as small or large manufacturing plants, small or large businesses, in which, because of the prospects of the business, there was a reasonable assurance of repayment of the loan.

The agency has operated along that line in the loans it has made. In that activity it has done a very good job.

Now, however, the International Finance Corporation has said, "We want the authority under our charter enlarged. Whereas now under the charter we are prohibited from buying common stocks of corporations, we will enlarge the charter so that we can buy common stocks in corporations."

As I see it, the International Finance Corporation wants to move from a position in which it loans money on security, that is, whatever security there may be to assure repayment of the loan, into a position in which the Corporation will buy common stocks of corporations without losing their continuing right to make loans, in addition, if they want to do so.

But it is proposed that the International Finance Corporation will buy common stocks of corporations, with no security whatsoever, no due date, and only the possibility that at some future time the IFC can either divest itself by sale of the common stock and get its money back, or perhaps make a profit on the speculative increase in value of the stocks.

I think it is the wrong way for the Government to operate. I think the International Finance Corporation should remain in the lending business and not go into the speculative investment business in stocks.

I am frank to say that there is some very formidable financial opinion that supports the proposed change in the charter. The State Department wants the charter changed. I understand that the Treasury Department has now OK'd the change. Many of the people in those Departments are able financial people. I find myself in disagreement with them. Therefore, I feel rather humble in my opposition. But, by the same token, there is some pretty respectable opinion against it. A moment ago the Senator from Illinois [Mr. DIRKSEN] pointed out the strong objection of former Secretary of the Treasury Humphrey. He was strongly opposed to an international or governmental agency entering into the business of investing in common stocks, which is a speculative activity, rather than remaining a loaning activity.

Mr. DIRKSEN. Madam President, will the Senator yield?

Mr. HICKENLOOPER. I am glad to yield.

Mr. DIRKSEN. I wondered whether there was any really persuasive testimony to indicate that the measure would actually energize the investment of private funds in addition to governmental funds, and so spur activity in the underdeveloped countries.

Mr. HICKENLOOPER. Yes, the arguments of the proponents of the measure are that in many countries local investors who will buy the capital stock and invest in equity capital in those countries cannot be found, and proper capitalization of a corporation is sought, so that a company's capital structure, as compared with the money that it wants to operate, will be more in balance.

Therefore, the Finance Corporation desires to buy capital stock to strengthen its capital structure, on the theory, I presume, that the capital structure will then be of such size or proportion that the Corporation can borrow money on some kind of business ratio relationship.

I feel that if there is not enough confidence in the potential of a particular business in the area or locality where it is situated to attract a reasonable amount of equity capital into that business, knowing that it can get a loan from the International Finance Corporation, it is a pretty risky business, indeed, and the governmental body should stay out of that speculative area of buying capital stock or common stock in the corporation.

It is very true that under the present situation the Corporation can lend money; and under certain circumstances it can, along with the loan, get certain favorable stock options in the company which they have not exercised, or of which they may have none, but which could put them into the stock investment business. However, it is specifically provided in the change which is asked for that the Corporation will not exercise any of the prerogatives or rights of privilege of stock ownership. They will not vote the stock once they buy it. They will not participate in the management of the corporation. All they will do is to buy common stock, which has no due date, which, for the recovery of the amount they put in, is dependent on the future soundness of the company and the possibility that the stock may appreciate so that it may be sold on the market someday when the Corporation can get its money out, or make a profit, or perhaps be forced to lend some money.

Mr. FULBRIGHT. Madam President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. I overlooked stating, a moment ago, that I have a letter from the previous Secretary of the Treasury, Mr. Robert B. Anderson, dated August 24, 1961. I should like to read the letter into the RECORD.

New York, N.Y., August 24, 1961.

Hon. J. W. FULBRIGHT,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR FULBRIGHT: My attention has been called to the fact that you have under consideration H.R. 6765 by Mr. SPENCE which would authorize the American Governor of the International Finance Corporation to agree to an amendment to article 3 that would permit the Corporation to make investments of its funds in capital stock and to limit the voting rights by the Corporation unless the exercise of such rights was deemed by the Corporation as necessary to protect its interests.

During the meeting of the Corporation in September of 1960, Mr. Graydon Upton, speaking in my behalf as the U.S. Governor, agreed to thoroughly examine the merits of the proposed amendment. We did so carefully and exhaustively and reached the conclusion that the amendment as now proposed was necessary to the full development of the Corporation's utility.

We concluded that the experience of recent years has proven that without this power, the International Finance Corporation could not do an effective job in at least some of the less developed countries. Today this Corporation is the international agency most directly dedicated to promote private enterprise in these countries and it would be particularly important that it should have the opportunity of achieving maximum effectiveness.

Without entering into a prolonged technical discussion, I simply point out that experience has shown quite clearly that long-term stock purchase options and convertible debentures are largely unknown in the less developed countries. If we are to assure the availability to multilateral sources of capital in order to enhance the growth and participation of private enterprise in these less developed countries of the free world, it is my judgment that we should give a wide range of flexibility to the International Finance Corporation.

Upon the retirement of the able Mr. Robert Garner, it is important to note that Mr. Eugene Black has agreed to take on the added duty of the presidency of the International Finance Corporation and Mr. Black's competent management of the International Bank for Reconstruction and Development is sufficiently well known to inspire confidence both here and abroad.

With every good wish, I am,
Sincerely, your friend,
ROBERT B. ANDERSON.

Madam President, I emphasize that here is one agency, especially devoted to the creation of private enterprise in foreign countries. It is amazing to me that so many persons who have complained about our fostering socialism of Government enterprise are opposing this particular agency. All it is trying to do is to promote the creation in those countries of privately owned small businesses. Only a small amount of money is involved compared with the amount which is used in our big aid programs. Our part is $35 million of a total of $100 million. In 4 or 5 years, the United States has committed only about $44 million. Not all of that amount has been used. The Corporation has found by experience that it is not doing much of a job; and the people who borrow are certainly conservative businessmen.

Mr. Robert Garner is an experienced businessman with the Morgan Guaranty Trust Co. of New York. He is not of a socialistic nature by any stretch of the imagination.

I do not understand why there is such strong objection to enabling the Corporation to do its work. In effect, it is said—not only in this letter, but, I should judge, in the testimony plus the letter—that if the Corporation is not given this kind of freedom and not allowed to move forward, and its money is frozen, we might as well liquidate it.

Mr. HICKENLOOPER. Madam President, the Senator from Arkansas says that those who advocate private enterprise may object to this proposal. I do not know of anyone who is objecting to the present activities of the Bank, which is supporting private enterprise by way of loans. But when we talk about socialism, socialism is government getting into the ownership and operation of business. That is what the Corporation seeks to do. I know the Corporation is not socialistic, of course; but it wishes to buy capital stock in a corporation. That is ownership. I contend that that is one step further toward the Government getting into the ownership of what ought to be private business.

Mr. FULBRIGHT. It is clear that the Corporation does not make investments to keep. Its clear intention is to start companies and then get out of the picture. The fund is a revolving fund. It has sold some $6 million of the loans it has made, which have been converted into stock options. That is the purpose.

It is not intended that the Government should own these investments permanently. The purpose is purely to provide some assistance in the creation of small private business.

Furthermore, this is a multilateral agency of 69 members. The United States is not committing its funds to the ownership of private industries on a permanent basis. It is an operation to try to start, in this case, privately owned and privately operated companies.

Mr. CAPEHART. Madam President, I wish I could agree with all that the able Senator from Arkansas has said. I think it will be found that what the Corporation is doing and what it proposes to do is to buy stocks from existing companies, and not necessarily start new ones. Instead of being a finance company, lending money to countries, the Corporation is buying equities and buying ownership. This will further involve the Government in private business.

The same purpose can be accomplished by lending money or taking debentures. When the original plan was presented a couple of years or more ago, it was intended that the International Finance Corporation should lend money; and then, when it was suggested that they might participate in the ownership of those businesses, it was recommended that they do so by the purchase of debentures, thereby giving the Corporation a first lien on the assets.

The Corporation would have nothing to do with the management, but merely would lend money through debentures rather than by direct loans.

This is only another wedge being driven into the private enterprise system of America, because the greater part of this money is not needed. The able Senator from Arkansas himself said so. The Corporation has committed only about $44 million over a period of several months, even in loans, let alone buying equities.

This is simply another method of pushing governments into the private enterprise system. I should much prefer to see the efforts confined entirely to loans, the purchase of debentures, and purchase of preferred stock, or even the purchase of bonds, which carry with them no equity or ownership in the business. Now it is proposed to start buying equities in private enterprise. The plan would not be limited to new industries. The Corporation could help to refinance or could buy stock in existing companies.

I think this is bad practice. For the reasons I have stated, I have never favored it. I realize that others have, but I believe they are wrong. I think the tendency of too many businessmen and bankers to invite the Government into private industry is wrong. I believe that if we keep up the pace at which we are traveling now—I have reference to the foreign aid bill, to this situation, and to many others—we shall only be hurrying toward the day when private industry will be eliminated, not only in this country, but throughout the world, and there will be socialistic or communistic kinds of government.

I do not like to see the U.S. Government misguide businessmen, who feel they can trifle with this situation—that they can go into it a little and then pull back. They cannot. The International Finance Corporation will get deeper and deeper into the ownership of private industry throughout the world. In my opinion, this program should be handled on the basis that the Government will set up private enterprise systems by lending money, but not by purchasing equities, not by accepting any share of management, and keeping itself free, so that it will not interfere with or participate in the ownership of private industry.

Socialism and communism mean government ownership. The free private enterprise means exactly what the term implies. How far can we go? How far should we go? When should we stop? Who knows when to stop?

In my opinion it is a bad practice, and I believe we should frown on all such endeavors as this.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 6765) was ordered to a third reading, read the third time, and passed.

Mr. FULBRIGHT. Madam President, I move that the vote by which the bill was passed be reconsidered.

Mr. SPARKMAN. Madam President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

HOLDING OF NATIONAL CONVENTIONS FOR NOMINATION OF PRESIDENT AND VICE PRESIDENT

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 730, Senate Resolution 141; and I ask that the attachés of the Senate notify the Senator from Mississippi [Mr. STENNIS] so that he will have an opportunity to come to the floor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution to express the sense of the Senate on the time for holding national conventions for nominations of President and Vice President.

Mr. KEATING. Madam President, this resolution simply expresses the sense of the Senate that the nominating conventions for President and Vice President be held after the first Monday in September, rather than in July or August, as has been the practice.

Of course that decision is under the control of the political parties; but it is generally agreed that real dangers result from having the campaigns continue for so long that the campaign speeches become repetitious and voters lose interest.

One solution would be to hold the nominating conventions somewhat later in the year. Another proposal, of course, would be to make the campaign speeches more interesting.

This matter has been discussed in the Committee on Rules and Administration. The resolution was unanimously reported.

The extent to which the political parties will pay attention to this expression of the sense of the Senate remains to be seen; but the resolution is a constructive one, and has unanimous support.

I hope the resolution will be agreed to.

Mr. CAPEHART. Madam President, I wish I could agree with the Senator from New York. But in my opinion there should be more time, rather than less time, to inform the people. So I think the nominating conventions should be held in June. Why not allow more time—rather than less time—for the American people to think about the candidates for whom they wish to vote?

I have no particular objection to the resolution, because it means nothing; I am sure neither party will pay any attention to it.

Mr. KEATING. Madam President, I realize that the Senator from Indiana may feel that way. This resolution however reflects the feeling of the members of the Committee on Rules and Administration, who believe that it is most difficult to arouse and maintain voter interest during campaigns which last longer than 2 months.

I thank the Senator. No doubt the Senator from Indiana is able to engender greater interest.

Mr. MANSFIELD. Madam President, I think the resolution is an excellent one, and I commend the Senator from New York [Mr. KEATING] for his initiative.

I point out that the resolution was reported unanimously from the Committee on Rules and Administration.

I believe it would be better to have shorter campaigns, rather than longer ones.

I recall that in the last campaign the Vice President of the United States one day made a speech, before lunch, in New York City; then he took a plane to Anchorage, Alaska, made a speech there, had lunch, and then took a plane to Detroit. In Detroit he had dinner, and then made a speech there. That was traveling entirely too fast, but it indicates the pace maintained during the campaigns. Both candidates were brutally treated as the result of the pace which was maintained in that campaign.

Mr. KEATING. Madam President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. Let me say that the majority leader has submitted a more comprehensive measure, which has many features with which I find myself in agreement.

Mr. HRUSKA. Madam President, I should like to inquire of the Senator from New York—whom I know to be a very successful campaigner of long years standing—whether any consideration was given by the Rules and Administration Committee to matters such as the chartering of the plane to take the candidate from New York to Anchorage and then to Detroit. That took some arranging, and there are also the arrangements for television programs, advertising space in newspapers, and so forth.

I wonder whether consideration was given to the necessary advance arrangements in connection with campaigns, as that matter may relate to this resolution.

Mr. KEATING. Yes, the whole area was well canvassed.

Of course we recognize that what the Senate has to say in regard to this matter will not be the last word. But, as a matter of fact, both the chairman of the Republican National Committee and the chairman of the Democratic National Committee, who appeared before our committee, also urge shortening of the campaigns for President and Vice President.

It is true that in the case referred to there might have been a slight, the emphasis on slight, financial problem which both of them had in mind. But both of them testified in conformity, in general, with this resolution which expresses the sense of the Senate.

Mr. HRUSKA. I am grateful to the Senator from New York for his very fine explanation.

Mr. McCARTHY. Madam President, will the Senator from New York yield?

Mr. KEATING. I am glad to yield.

Mr. McCARTHY. I should like to ask whether in the deliberations in the Committee on Rules and Administration any thought was given to making a recommendation in regard to presidential primaries and whether they should be held at all?

Mr. KEATING. That was discussed, but we have not come to any conclusion thereon. [Laughter.]

Mr. HUMPHREY. Madam President, I register a protest. [Laughter.]

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 141) was agreed to, as follows:

Resolved, That it is the sense of the Senate that the conventions held by the political parties for the purpose of nominating candidates for President and Vice President shall not be commenced prior to the first Monday in September of the year in which the election is to be held.

The PRESIDING OFFICER. Without objection, the preamble will be agreed to.

DIRECT APPROPRIATIONS OR BACK-DOOR FINANCING—TELEGRAM FROM GOVERNOR ROCKEFELLER

Mr. DIRKSEN. Madam President, when the foreign aid bill was before the Senate and when it was before the House of Representatives, considerable capital was made of a telegram sent by Governor Rockefeller of New York to a great many Members of the House of Representatives.

Since that time the matter has been rather widely discussed; and it was discussed in the minority leadership conference on Thursday morning, at which time both Representative HALLECK, the minority leader of the House, and I had occasion to allude to the matter.

It then came to the attention of Governor Rockefeller, who sent a telegram stating very clearly what his position really was with respect to direct appropriations for foreign aid, as opposed to back-door financing.

In order to make sure that the entire context would be before the Senate, I had reproduced the entire text of the news conference we held on Thursday morning. The minority leader of the House and myself were among those who participated.

So, in connection with these remarks, I ask unanimous consent, Madam President, that the text of the entire press conference and the telegram from Governor Rockefeller be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection——

Mr. MANSFIELD. Madam President, let me say the telegrams will prove to be very interesting reading, for perhaps then we shall know where Governor Rockefeller stands on this particular recommendation.

Mr. DIRKSEN. Madam President, I shall be glad to read both of them now.

Mr. MANSFIELD. Oh, no. [Laughter.]

Mr. HRUSKA. Madam President, perhaps it would be of benefit to have the telegram read at this time.

Mr. DIRKSEN. First, I request that the news conference text be printed at this point in the RECORD.

There being no objection, the text of the news conference was ordered to be printed in the RECORD, as follows:

Mr. HALLECK. In response to your question of course I shall refer to Governor Rockefeller's appeal recently to Republicans for long-range planning on the mutual security program and then I would like to make just some general observations about the situation as I see it.

As the so-called foreign aid bill—I've always preferred to call it the mutual assistance bill—was coming onto the floor of the House, while it was being considered in the Senate * * * we had considerable discussions among ourselves and with some people on the other side of the aisle about the 5-year blank check arrangements to take the money out of the Treasury, \$8.8 billion for 5 years, with what, to us, seemed an absolute abdication of congressional responsibility for appropriating the taxpayers' money. And we came up with a proposition for a 4-year authorization.

The reason we wanted 4 years instead of 5 years was because that would cover the term of the present administration. We, standing for the authorization, wanted the full amount for the first year and then for each of the succeeding 3 years, \$1 billion a year.

Now, that figure was adopted because we felt that for amounts above that, as Representative JUDD, who certainly is no enemy of this program said, "It would be the frosting on the cake"—would give the Foreign Affairs Committee an area of responsibility in respect to the program.

Also, the authorization voted by the Congress of the United States carried with it, it seems implicitly, an assumption of responsibility on the part of the Congress to provide for the carrying on of the program.

We Republicans announced that we were for long-range planning, but we've insisted on annual congressional control. Now, the billion dollars per year would certainly provide a wide area for long-range planning.

Now I've said, and I say it again, that the Congress of the United States in respect to this program going clear back to the 80th Congress when I was the majority leader and we enacted the program the first time, has met, I think reasonably well, the commitments that have been made. I say the Congress would continue to do that. I say it is a false assumption to go on the proposition that the Congress will not meet its commitments.

Now then, there have been a lot of things said about how the Republican votes for the amendment that was adopted had represented a complete breakdown of bipartisanship. First of all, that is not true. We Republicans were not responsible for the arrangement by which the Saund amendment for 1-year authorization came on first, ahead of what would have been the Vaughan Gary amendment or the Dr. Judd amendment, which were for a 4-year authorization.

I've said before and I say again that this proposition was submitted to responsible leaders in the administration and responsible Democratic leaders in the Congress of the United States.

Now there have been things said about what President Eisenhower wanted and what Dick Nixon wanted and what Governor Rockefeller wanted. Now, I have every reason to believe that President Eisenhower is not for the blank check arrangement that has been insisted upon. The newspaper article that was written by Richard Nixon clearly advocated long-range planning—no one disagrees with that—but continuing congressional control.

Now to get down to Governor Rockefeller's recent telegram. Except that he asked us to vote against the Saund amendment in the last line, in my opinion the telegram from him would not put him in opposition to the arrangement for authorization that I have talked about with continuing annual appropriations. I haven't communicated with him; I have answered his telegram and have pointed out what our position is. I have had no response from him, probably haven't had time to have a response from him.

Now there is one other thing I'd like to point out. This business of foreign aid or mutual assistance has never been a partisan program and it is not now. It carried better than \$4 billion when it passed the House of Representatives; more Republicans voted for it than against it. The number of Democrats voting against it was just about the same as the number of Republicans voting against it.

In other words, it follows that pattern, and I just think it's unfair to say that in this area there has been some breaking in what otherwise should be a bipartisan or nonpartisan approach. As I pointed out on the floor, President Eisenhower asked for something like this once. It was certainly a much lesser program, lesser in dollars and lesser in time and lesser in other details and features, but at that time I didn't vote for it; I supported the Selden amendment as did the overwhelming majority of the House, Democrats and Republicans, and there was no great outcry then about throwing this whole matter into the field of partisan operation.

Mr. DIRKSEN. One other observation. You may recall that on the floor I asked Senator FULBRIGHT whether he would swap what he had in the bill pending before the Senate at that time for what he had worked out on a 2-year basis before under the Eisenhower administration, and obviously the answer was "No" because it involved only \$1.5 billion for a 2-year period. But I emphasize also the letter that President Eisenhower sent to Senator FULBRIGHT in 1959 where President Eisenhower made emphatically known his views with respect to back-door financing as against careful congressional scrutiny and annual appropriations.

Question: Mr. HALLECK, you mentioned that the Republicans had worked out a responsible alternative to the administration's plan, a 4-year authorization.

Mr. HALLECK. That's right.

Question. You had taken this up with the Democratic leadership. In that event, why didn't the Republicans vote against the Saund amendment?

Mr. HALLECK. Well, that question has been raised. Actually, at that point it became apparent that the matter was going to conference. Now, we could have voted down the Saund amendment, I suppose. I say we could have; maybe we could have, but the way the matter came up, the better plan seemed to be to let this thing go to conference and I said as much in the speech that I made.

Now then, you understand that if the chairman of the Foreign Affairs Committee, Dr. MORGAN, of Pennsylvania, for whom I have the highest regard, had not offered his so-called compromise, then if the Saund amendment had been offered, it was our plan to have VAUGHAN GARY of Virginia offer the substitute that I have just talked about. But we were precluded from doing that.

May I say with respect to this bipartisanship, I was not consulted before this 5-year blank check proposition was sent to the Congress, and so far as I know, no leader on the Republican side was consulted. The first I knew about it was when it was made known that that recommendation was coming from the administration.

And I wasn't consulted about the so-called Morgan compromise. We didn't find out about that until just a few minutes before it was offered. In other words, this bipartisanship should be a two-way street.

I don't want to be supercritical and I don't think I am, but it's my recollection and I'm sure Senator DIRKSEN will bear me out, that on occasions like this there were consultations—bipartisan—at the White House under President Eisenhower.

Question. Is it correct to say that you know President Eisenhower is against this 5-year proposal?

Mr. HALLECK. Well, I stand on what I said. I said I have every reason to believe that he would not be too unhappy with those of us who sought some further congressional arrangement in respect to the 5-year program.

Mr. DIRKSEN. Well, let's make it a little more affirmative. I think it can be said that President Eisenhower was definitely for the appropriation procedure as the regular, normal procedure for dealing with matters of this kind.

I am speaking now about what I think his stand would be on the basis of the letter that he sent to Senator FULBRIGHT in 1959, and I have no reason to believe that he has changed his mind because I know of his great respect for the procedures that we follow here and for that constitutional provision with respect to taking money out of the Federal Treasury only in pursuance of an appropriation done by law.

Question. Mr. HALLECK, you said that bipartisanship was very much more effective in the Eisenhower administration.

Mr. HALLECK. Well, if I used the word "effective," I think probably I shouldn't use the word "effective." Let me just say that in matters in this sort of an area I'm quite sure that there were more occasions when the Democratic leaders were called to the White House to be consulted before the program was recommended.

Question. Do you think the Democratic Members of Congress contributed more to bipartisanship than Republicans are contributing now?

Mr. HALLECK. No.

Question. In other words, the White House.

Mr. HALLECK. On the passage of the bill we had, I think it was, 92 Republicans voting for it and 77 against it, and that's just about the way it has been running. But there have been times when amounts were involved or other features were involved that Republicans have been in opposition. We were under President Eisenhower; we were under President Truman.

Mr. DIRKSEN. Well, to nail it down, I went down to examine the record votes on this matter in 1959 and 1960. Percentagewise there were a greater number of Republicans who supported the program than there were Members on the Democrat majority side.

Mr. HUMPHREY. Before the Senator from Illinois reads the telegram, can he inform us whether it states the final position; or is this just being presented in serial form, with the result that later we shall be informed of a new position? I wish to be sure that our good friend, the Senator from New York, knows what is the final position of the Governor of New York. My interest in this matter is taken only because of my affection for him, I may say. [Laughter.]

Mr. DIRKSEN. Madam President, let me say that the Governor had no difficulty making his position clear.

I shall read the telegram, as follows:

NEW YORK, N.Y.

Representative CHARLES HALLECK,
House Office Building,
Washington, D.C.:

I learned from the press today that at a press conference after the joint Senate-House Republican leaders meeting you expressed the view that while I strongly support long-range planning in foreign aid, I am at the same time opposed to doing it through so-called back-door financing of mutual security and favor instead multiyear authorization on a basis which would keep the program under the constant review of the Executive and the Congress. This is exactly my position and I greatly appreciate your expression of it. It is my clear impression that I share this view with General Eisenhower and Richard Nixon. In 1942, as Coordinator of Inter-American Affairs, working with the Congress and through the Institute of Inter-American Affairs, I developed this exact procedure of long-term authorizations and annual cash appropriations. This procedure proved to be eminently satisfactory. I was then and I am now inalterably opposed to the handling of these programs in any manner that impairs the constitutional prerogative of the Congress. If you wish to make this communication available to the press, I would have no objection.

With best wishes.

NELSON (ROCKEFELLER).

Mr. JAVITS subsequently said: Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I ask the Senator from New York if he would have any objection to my asking unanimous consent that there appear in the RECORD immediately following the telegram to which the Senator has referred the original telegram from Governor Rockefeller to Members of the House, because I think, as a matter of evidence, they ought to be read together. I think Governor Rockefeller's purpose is certainly sincere, and is certainly in aid of the foreign aid program of the United States, in which, for many years back, as he mentioned in his own telegram, he has been a great servant. So I think if the whole body of evidence of both telegrams might appear in the RECORD together, it would be helpful.

Mr. DIRKSEN. I am delighted to entertain that request, because no adequate judgment can ever be rendered until all the evidence is before the jury.

Mr. JAVITS. Madam President, I ask unanimous consent, therefore, that I may insert in the RECORD, to appear immediately following the remarks of the Senator from Illinois, the original telegram of Governor Rockefeller.

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

NEW YORK, N.Y., *August 17, 1961.*

I am taking the liberty of sending you this wire because I deeply believe that this Nation's program of assistance in strengthening the forces of democracy is vital to the survival of freedom. I consider it is essential, in terms of our own interests that our aid program be placed on a basis permitting long-range planning, which has had bipartisan endorsement. This will not only enable us to assist more effectively in orderly economic growth of developing nations to the end that they may remain free, but will also assure maximum usefulness of the U.S. contribution to the developing multilateral aid program of the free world. We must face the reality of our responsibilities as leader of the free world. The long and relentless struggle with communism must be sustained if freedom is to live. In light of the above, I urge you to vote to reverse yesterday's adoption of the crippling Saund amendment.

NELSON A. ROCKEFELLER.

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

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. Receiving the historical document which the Senator from Illinois has read, and which comments on ancient history, reminds me of a great occasion in the history of the world called the Battle of Waterloo, when Marshal Ney arrived too late to defend against the ranks of Blucher. He was coming in on the right flank—and I use that term not only in the geographic sense, but in the political sense. Marshal Ney was to have been there to stem the tide of the battle, but he arrived several hours too late, and the victory was taken from the hands of the great Napoleon, and went to the Duke of Wellington.

I am sure this telegram would have been most effective at the appropriate time, but it reveals to me the powers of the "Ev and Charlie" performance, and it reveals to me the sterling qualities of the joint committee of the House and Senate Republican leadership. It also shows that the factions in the Republican Party apparently are united.

I see now that Governor Rockefeller and Senator GOLDWATER have joined together in support of this type of financing—of course, after the Senate and House have acted. I thank them for that consideration. At least the symbolism was there, if not the persuasive qualities that could have been manifested at the time we were casting our votes. For this I thank the Governor of New York. He is a fine gentleman. I admire him very much, particularly when his messages come as late as this one.

Mr. DIRKSEN. Madam President, so long as the Little Corporal has gotten into the act, first let me strike the appropriate pose. [Laughter.]

I differ with the Senator on his allusion to Marshal Ney. There will be a time when we will vote on the conference report, and it will be rather interesting to see what is in the conference report. I am already beginning to have ideas about it, and I have noticed the stand taken by the conferees of the House of Representatives. It may well be somewhat in the language of Napoleon, when the Little Corporal sent the marshal to the snows of Russia. He called him into his military office and said, "Marshal, I shall have plenty of time to hear you tell me how you succeeded. I shall have no time to hear you tell how you failed."

The last word, Madam President, may well be that.

Mr. HUMPHREY. That was Marshal Murat. That was not Ney.

Mr. DIRKSEN. It was Ney. I would have to look it up. I am not sure I could run it down between now and adjournment tonight.

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

Mr. DIRKSEN. I yield to the Senator from New York.

Mr. KEATING. The Senator, in his usually courteous and charming manner, has referred to the presence of the Senator from New York.

Mr. HUMPHREY. He is my friend.

Mr. KEATING. I realize that.

It seems to me that the telegram of the distinguished Governor of New York is consistent with the action taken. The Dirksen amendment was arrived at after a long series of conferences, in an attempt to have congressional oversight. The Governor says he recognizes the constitutional prerogatives of Congress, which is entirely appropriate, and we have made provision for that. The House has seen fit to do it in a different manner, but in both bills there is provision for congressional oversight, which I am sure is in accord with the views of the Governor.

Mr. DIRKSEN. Napoleon was a great hand at oversight.

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. In the event the Governor of Iowa desires to express himself on this subject at some length, in a telegram or otherwise, would the Senator have any objection, if the Governor cares to submit such a communication, to my including it with the other distinguished expressions?

Mr. DIRKSEN. If it arrives in time.

Mr. HICKENLOOPER. I do not know that the Governor cares to express himself, but if he does, I would like to have the Senator's consent.

Mr. McCARTHY. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Minnesota.

Mr. McCARTHY. In addition to the Governor's telegram, I think it would be in order to suggest that we keep the record open for the Governor, in case he wishes to change his mind or in case he wishes to reinterpret his mind—this would also honor the request of the Senator from Iowa—until after the sense of the resolution which we adopted a few minutes ago has been manifested in the two national conventions which will be held after Labor Day, 1964.

Mr. DIRKSEN. I am glad to keep it open. It may change the mind and heart of the Senator from Minnesota.

Mr. HICKENLOOPER. I think the request of the Senator from Minnesota is very appropriate and proper. So far as I am concerned, I have been trying to find out what the exact position of the administration is, as between the discussions of last fall and this spring and summer. If we can keep the record open so we can find out what the present administration intends to do, based on what it said last fall and the different statements it is making now, it will be illuminating to the country and informative to the people, and will be a political document of great value. I hope the administration will get down to some kind of program we can tie onto.

Mr. DIRKSEN. Winter is for discontent, spring and summer for change, so I yield to the distinguished Senator from Indiana [Mr. CAPEHART].

Mr. CAPEHART. I am only suggesting that we quit.

THE CONSTITUTIONAL RIGHTS OF THE AMERICAN INDIAN

Mr. ERVIN. Madam President, as chairman of the Senate Judiciary Subcommittee on Constitutional Rights, I wish to announce forthcoming hearings on the "Constitutional Rights of the American Indian." These hearings are scheduled to begin in room 357 of the Senate Office Building at 10 a.m. on August 29, and will continue through September 1.

The initial hearings will be concerned with the constitutional protections afforded reservation Indians as compared to those of other American citizens. With this view in mind, the subcommittee will receive testimony from various individuals in the Department of Interior, members of the Secretary of Interior's Task Force on Indian Affairs, and private individuals and organizations active in Indian affairs.

The subcommittee, in a preliminary study, has ascertained that even though Indians are full citizens of the United States, there are areas in which they may be deprived of property and liberty without due process of law; further, they are denied the benefit of the same constitutional limitations as guaranteed in the Bill of Rights.

Two important studies recently have pointed up the need for clarification of the American Indian's constitutional rights. The Fund for the Republic's report, "A Program for Indian Citizens," states:

> No government of whatever kind should have the authority to infringe upon fundamental civil liberties; government itself must ever be subject to law. Freedom of religion, utterance, and assembly, the right to be protected in one's life, liberty, and property against arbitrary government action, and to be immune from double jeopardy and bills of attainder, and the guarantee of a fair trial are not privileges; they are minimum conditions which every American should enjoy. For any tribe to override any of them violates the very assumptions on which our free society was established. The absence of these safeguards will, moreover, retard the economic development of reservations, for business concerns are not likely to risk their capital when confronted with the possibility of arbitrary taxation and similar oppressive measures.* * *
>
> Neither Congress or the States may infringe upon the basic constitutional rights of Indians, for they enjoy the same protection in respect to these governments as all other American citizens. But the Federal judiciary has determined that the guarantees of freedom of worship, speech, and the press, the right to assemble and petition the Government, and due process do not restrict tribal action. Thus, a U.S. court has held that the Navajo could enforce tribal legislation prohibiting the possession or use of peyote on the reservation, even though the ban interfered with the observation of a religion. Nor can the deprivation of religious liberty be redressed under the Civil Rights Act. Similarly, the amendments which forbid the United States and the States to deprive any person of life, liberty, or property without due process of law do not apply to a tribe's conduct of criminal trials. A tribe can also impose a tax without due process requirements.

The Task Force on Indian Affairs, in its report to the Secretary of Interior, states:

> In short, except as Congress has transferred its authority to the States, the States have no jurisdiction over Indian reservations or Indians on reservations. Indians away from reservation, on the contrary, are subject to State law.
>
> A specific complaint against tribal governments (on the reservations) which the task force heard from both Indians and non-Indians is that many tribes either have no constitutional directives to extend the guarantees of the Bill of Rights and the 14th amendment to those within their jurisdiction, or, if they have them, they ignore them.
>
> The task force strongly recommends that the responsible unit of the Bureau of Indian Affairs begin an immediate review of the constitutions of Indian tribes to determine the most significant deficiencies in these documents, and make recommendations to the tribes for overcoming them. Such matters as civil rights * * * should be given special attention.

As a part of its study, the subcommittee plans comprehensive surveys among the following groups: reservation, nonreservation, and off-reservation Indians, general counsels for Indian tribes, Indian centers in cities where Indians have been relocated, area directors and superintendents of Indian reservations, Indian committee of the bar associations, private organizations, specialists, State attorneys general and State and Federal agencies dealing with American Indians.

The subcommittee will study also the rights enjoyed by Indians living off the reservation who have either been relocated by the Federal Government or have always lived in Indian communities.

The hearings next week are the first of a series which the subcommittee expects to conduct on this subject. During the congressional recess, the subcommittee will hold field hearings in various parts of the country to hear from Indian citizens as to their evaluation of Indian constitutional rights and the extent to which the exercise of these rights are restricted under present law.

JUDGE LEARNED HAND

Mr. ERVIN. Madam President, last week America lost one of the greatest judges of all times. I allude to the death of a truly great and fine gentleman, the highly esteemed and brilliant jurist, Learned Hand. I say without fear of contradiction that Judge Hand had no peer in the American judiciary. A humble man, with a rare intellect and a probing mind, he was dedicated to truth. He was a great liberal in the truest sense of the word. His 52-year tenure on the Federal bench produced numerous opinions, always eloquently written and founded on the firmest principles of American jurisprudence.

The admiration, respect, and, indeed, the devotion, which the members of the judiciary and bar had for him are evidenced by the accolades which continually were bestowed upon him throughout the years. In spite of lionization, this great man remained ever unassuming and perhaps it was only in discussing himself that his dispassionate objectivity was overcome by his modesty.

Judge Hand bequeathed to the American people a superb legacy of legal philosophy. He admonished us that the path to truth is cleared by "skepticism, tolerance, discrimination, urbanity, some—but not too much—reserve toward change, insistence upon proportion and, above all, humility before the vast unknown." In pursuing the truth, Judge Hand was a strong advocate of dissent; he said:

> It is *only* in a society that has learned to tolerate dissent that human rights and civil liberties can be safe.

Judge Hand epitomized that spirit of liberty which he so aptly described:

> As the spirit which is not too sure that it is right * * * which seeks to understand the minds of other men and women * * * which weighs their own interest alongside its own, without bias * * * remembers that not even a sparrow falls to earth unheeded * * * and is the spirit of Him who, nearly 2,000 years ago, taught mankind that lesson that it has never learned, but has never quite forgotten; that there may be a kingdom where the least shall be heard and considered side by side with the greatest.

Today that same spirit of liberty lives on rekindled with new vigor by the deeds of Learned Hand.

It has been said that a man deserving a eulogy does not require one. This is eminently true of Learned Hand. I have not attempted to eulogize him, but rather to pay a final tribute to a great American.

GAMBLING

Mr. ERVIN. Madam President, this morning's New York Times, in an editorial entitled "Gambling as an Industry," discussed the hearings held this week by the Permanent Subcommittee on Investigations of the Committee on Government Operations.

Since these hearings began on Tuesday, I have spent a considerable amount of time participating in them, and I should like to associate myself with the conclusion of the New York Times that it may be impossible to suppress the gambling instinct, but that it is possible to enact more effective laws regulating this mammoth, illicit industry. It is my hope that these hearings will result in legislation which not only will plug the tax-evading tactics of gamblers, but, more importantly, will provide sufficient safeguards for the protection of society in general.

I ask unanimous consent to have the New York Times editorial of this date placed in the RECORD at this point.

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

GAMBLING AS AN INDUSTRY

The Senate subcommittee currently investigating gambling in the United States has produced some majestic arithmetic and some startling assertions. One witness said the total of betting in the United States amounted to $50 billion annually. This is about one-third of the value added by manufacture in all industries in the United States.

Gambling is in fact an industry. To some extent it is a legal industry. It is lawful to bet on the horses in the State of New York and 2 dozen other States, provided one goes to the track and uses the pari-mutuel system. It is, as a rule, not legal to bet on a horse race when one is not where one can see the horse.

It is also legal to manufacture and sell playing cards and other equipment that give professional gamblers an advantage over the amateurs. One witness, a detective who specializes in detecting gamblers, believes that 1 out of every 10 card games for high stakes is played with a marked deck. This is, of course a warning to the unwary—they should limit themselves to the other nine games.

Where gambling is illegal it goes on just the same. One well-informed witness said gamblers could rarely operate 48 hours without the policeman on the beat knowing about it. Another witness said he believed that police chiefs knew the whereabouts of virtually every professional gambler who is now operating in the United States.

It was hardly necessary for any witness to add that there was a great deal of corruption. When professional gamblers do not buy the $50 tax stamp that the Federal Government requires of them annually, there is suspicion of corruption. The subcommittee chairman, Senator MCCLELLAN, of Arkansas, said that the data on hand indicated that professional gamblers were evading as much as $5 billion in Federal taxes every year. An ominous suggestion was made that the capital accumulated in corrupt gambling was invested in worse forms of crime.

As some wise man doubtless said when Babylon was merely a country town, it is impossible to suppress the gambling instinct. It is not impossible, however, to put more sense into the laws affecting gambling and then to enforce those laws with more regularity.

RADIATION HAZARDS FROM X-RAY FACILITIES

Mr. WILLIAMS of New Jersey. Madam President, I wish to call the attention of the Senate to an important article from the forthcoming September issue of Consumer Reports on the radiation hazards involved in medical and dental X-rays.

Consumer Reports has on a number of occasions directed attention to the serious public health problems arising from exposure to radiation. This article deals with the problem of medical and dental X-rays, and points out that we receive on an average an estimated 20 times as much radiation from these sources as from radioactive fallout.

Having received an advance copy of this magazine, I have read the article with a great deal of interest. I found it a sober and responsible treatment of the issue, recognizing that X-rays have been an invaluable tool to the medical and dental professions in improving the health of all of us.

Yet the article reminds us that the only "acceptable" amount of radiation from X-rays is the least amount that will do the job well. It points out numerous illustrations of actual and possible "overdoses" received by individuals through inferior design, manufacture, installation, and use of X-ray facilities. And it is clear that there is much that could be done to lessen the radiation hazards of X-rays without impeding their usefulness.

As a member of the Senate Health Subcommittee, I commend this article to my colleagues, and I ask unanimous consent, Mr. President, that it be printed in the RECORD at this point.

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

THE ENORMOUS BENEFITS WE OWE TO X-RAYS SHOULD NOT BLIND US TO THE TWO SERIOUS ABUSES WHICH ARE FREQUENTLY MET WITH TODAY—THE IMPROPER USE OF X-RAYS AND THE USE OF UNNECESSARILY LARGE DOSES

This review of the medical and dental X-ray situation is accordingly focused on these problems. CU's conclusions can be summed up in this series of questions and answers.

Question. Are American patients receiving larger-than-necessary doses of radiation from medical and dental X-rays?

Answer. Yes, in a distressingly high proportion of cases.

Question. Could these unnecessarily high doses of radiation be curtailed without impairing the medical and dental usefulness of X-rays?

Answer. Yes, in many instances by taking a few simple, inexpensive precautions which are widely known but much less widely utilized.

Question. Where should the responsibility lie for enforcing these minimum safeguards?

Answer. Primarily on State and local health departments, with help and guidance from the U.S. Public Health Service.

Question. Is this responsibility being met?

Answer. Some States are making progress. Some States have not yet taken even the first effective steps toward controlling X-ray abuses. (For CU's own State-by-State survey, see table at end of speech.)

Question. Can patients themselves recognize improper X-ray techniques likely to produce unnecessarily large doses?

Answer. To a certain extent; certainly the presence or absence of some of the protective devices described further on is observable by patients. Inspection by trained fieldworkers and actual radiation measurements are needed, however, to spot fully shortcomings of X-ray installations and practices; and some kinds of misuse can be avoided only by the physician, dentist, or technician using the machine.

Medical and dental X-rays, of course, are essential both in the diagnosis of a wide range of conditions and in the treatment of serious disorders. Without X-rays, the medical and dental professions would be severely handicapped indeed; and a patient who refused to be X-rayed because of fear of radiation would not be protecting his health but jeopardizing it. In a series of earlier reports, we reviewed in some detail the hazard presented by radioactive substances found in milk and other foods as an aftermath of nuclear weapons tests (Consumer Reports, March 1959, January, February, March, and June 1960). This month CU reports on a related topic: the radiation which tens of millions of us receive each year from medical and dental X-ray examinations. Measured in overall terms, we receive on the average an estimated 20 times as much radiation from these sources as from radioactive fallout.

Another comparative measurement is the genetic dose—that is, the dose received by the gonads, the male and female sex glands, during the first 30 years of life. This measurement is significant because it is presumed to govern the number of genetic defects which may show up in future generations as a result of exposure to radiation today. On this scale, medical and dental X-rays are somewhat less important—in part because the gonads can be kept out of the direct X-ray beam during most X-ray procedures, and in part because a number of those procedures are performed mostly on older men and women past childbearing age. Even so, the dose to the gonads from medical and dental X-rays is estimated at 5 to 10 times the dose attributable to fallout for men and women under 30.

Two central assumptions underlie CU's study, and these should be clearly stated at once.

First, the only acceptable amount of radiation is the least amount that will do the job well; and this is doubly true at a time when the atmosphere and our foods have been, and may again be, contaminated by radioactivity from nuclear tests and when medical and industrial uses of radioactive materials are increasing. Some of the dosages cited in this report are quite small and would not be, in themselves, a cause for alarm. But the effects of radiation, whatever the source, are cumulative; even a minor saving in dosage each time you have an X-ray taken may add up to a significant saving through the years.

Second, the dosage to the sex glands is of particular importance in people of childbearing age. If any reasonable step can be taken to reduce the gonadal dose significantly, failure to take it constitutes a serious lapse in good medical or dental practice. Viewed in the light of its overall effect on future generations, even a minor reduction in X-ray dosages may mean a major genetic gain.

Following these two central assumptions, CU's concern has been to identify those procedures which produce good results with a minimum of radiation and to warn against those procedures which result in unnecessarily high dosages.

THE ADRIAN REPORT

A little less than a year ago, a committee of outstanding British experts under the chairmanship of Lord Adrian published an epoch-making report on "Radiological Hazards to Patients."

Typical of the committee's work was a series of actual measurements made in English and Scottish hospitals to determine just how much radiation patients were actually receiving. One series of 503 measurements made in 104 hospitals, for example, gaged the dose to the adult male gonads when an X-ray picture was taken of the chest.

In one group of eight hospitals, the adult male gonadal dose was estimated at an average of 15 milliroentgens [1] per chest X-ray. This is certainly not a dangerous amount of radiation. But the average dose in the 104 hospitals taken as a whole was only 1.34 milliroentgens. These 8 hospitals, in short, were delivering more than 10 times as much radiation to the male gonads per chest X-ray picture as the average hospital.

Nor was this all. The 34 hospitals which used the most effective dose-reducing techniques were delivering on the average only 0.03 milliroentgens to the male gonads per chest X-ray. Gaged by this standard, the average hospital was delivering on the average 44 times as much radiation as necessary to the male gonads each time it took a chest X-ray; and the 8 worst hospitals were delivering 500 times as large a gonadal dose as necessary.

From these and many other findings, the British experts concluded that the genetic dose from medical and dental radiation to inhabitants of Great Britain averaged 19.3 milliroentgens per year at the time the study was made (1957–58). This, the Adrian report rightly notes, is not an alarming amount in itself. But it is an unnecessarily large amount. "We are convinced," the Adrian report concludes, "that in many instances of diagnostic and therapeutic procedures this does could be substantially reduced without any detriment to the efficiency of the examination or treatment. If the recommendations which we have set out below are carried out we are satisfied that the total annual genetic dose to the population from all forms of medical radiology can be reduced (from 19.3 milliroentgens per person per year) to a figure of 6 milliroentgens or less." This, the report notes, is not the ideal but the readily attainable goal.

CONDITIONS IN THE UNITED STATES

No nationwide study comparable to Britain's Adrian report has been made in the United States. Limited local surveys have been made in various parts of the country—notably in Oregon, Philadelphia, New York City, and Dade County (Miami), Fla. These studies, reported in several professional journals over the past 2 years, covered a total of 6,857 X-ray installations, medical and dental. They very likely represent average conditions existing throughout the United States; and they reveal conditions which in some respects are considerably worse than those turned up in Great Britain.

In New York City, for example, inspectors from the city's office of radiation control checked a number of medical X-ray installations. They discovered, says Prof. Hanson Blatz, director of the control program, that with about 50 percent of the machines "every time that a chest X-ray was taken, the patient's reproductive organs would be exposed to the [direct] beam of X-rays, thereby exposing the gonads to hundreds of times the radiation dose that would be necessary if the proper beam-limiting diaphragm had been used." It was even found that in the simple X-raying of a wrist, the equipment was sometimes used in a way which would also expose the genital region to the direct beam.

If medical and dental X-ray exposure could be cut by even a few percent, Professor Blatz adds, the effect would be "more than equivalent to eliminating all other sources of manmade radiation exposure."

One simple way to cut down unnecessary exposure is through the use of metal devices which limit the beam of X-rays to the "area of medical interest." Devices for this use are illustrated above. The commonest of them is a set of cones of various sizes. The physician or technician taking the picture can use the smallest available cone which will encompass the relevant area.

But the surveys disclosed that many physicians do not have any beam-limiting device to use. For example, in the Dade County survey, of 183 physicians with X-ray machines, 44 did not have on hand even one cone or other device for limiting their beams. An even larger number (84) had on hand one and only one cone. A simple cone-centering device is also needed to direct the cone at the area of medical interest; only 16 of 183 X-ray machines were equipped with such a device.

Note that these figures refer only to the availability of cones and cone-centering devices. But physicians who do have a set of cones do not always take the trouble to select the right size for each exposure. For example, the Oregon survey showed that the beam-limiting methods used were "satisfactory" in less than half the cases. Radiologists and hospitals using radiologists (that is, physicians trained and specializing in radiology and certified by the American Board of Radiology) were better in this respect than other physicians using X-rays; about 84 percent of them used satisfactory beam-limiting methods—as compared with 39 percent of the physicians who were not radiologists.

Limiting the area of the radiation field during routine dental X-rays is simpler. Only one size of beam-limiting device is generally needed. The National Committee on Radiation Protection and Measurement (NCRP) recommends a 3-inch maximum field diameter at the tip of the cone, the American College of Oral Roentgenology, 2¾ inches.

But in Oregon, a survey of 170 dental X-ray machines revealed that only 22 percent of them met the 2¾-inch standards. In New York and Philadelphia, the record was better. About 53 percent of 1,200 Philadelphia dentists were using radiation fields no larger than 2¾ inches in diameter. But other Philadelphia dentists were found to be using 4-, 5- and even 5⅝-inch beam diameters. A beam 3 inches in diameter has a cross-section area of 7 square inches; a beam 5 inches in diameter has an area of almost 20 square inches—almost three times as large. Even a modest reduction in the beam diameter achieves a substantial reduction in the area radiated.

GONADAL SHIELDING

By far the simplest method of cutting down the gonadal dose in many kinds of X-ray exposure is to cover the genital area with a rubber apron or sheet containing lead, or other form of shielding. The lead blocks the direct X-rays, and may also block most of the scattered or reflected rays which would otherwise reach the sex glands.

Gonadal shielding is especially important when babies are X-rayed, in part because their gonads may be especially sensitive to X-rays and in part because the baby's small size makes it more likely that his gonads will be struck by the direct beam. Yet, in Dade County, only 15 percent of 133 units used to X-ray infants employed gonadal shielding.

In the course of the Oregon survey, a number of physicians and technicians stated that they rarely used gonadal shielding. One reason given: it might alarm patients.

CU, accordingly, offers this obvious bit of advice:

Don't be alarmed if a physician places a lead-rubber sheet or apron or other type of shielding over your genital area before turning on the X-ray beam. On the contrary,

[1] A milliroentgen is one one-thousandth of a roentgen (the basic unit of radiation measurement). The limit suggested by the U.S. National Academy of Science for gonadal radiation for all sources for the first 30 years of life for the population as a whole is 10 roentgens.

accept this as a welcome sign that he is concerned about your gonadal dosage. If he does not do it, ask him to do it.

FILTRATION

Not all of the X-rays emitted by an X-ray tube are useful in taking pictures. Some are "hard" and some are "soft." The hard rays have great penetrating power and actually reach the X-ray film, producing the image on it. The soft rays are generally absorbed by the body.

A simple way to reduce the patient's X-ray exposure is to place a sheet of aluminum, about one-twelfth of an inch thick, directly in the X-ray beam. Such a filter blocks the soft X-rays while letting the hard rays through unimpeded. Far from degrading the resulting picture, filtration may improve its quality. And it protects the patient. The dose to female ovaries, for example, sometimes is cut in half.

Knowing this, you would expect all X-ray machines to be equipped with adequate filters—but such is not the case.

In Oregon, for example, where 368 medical and dental X-ray machines were checked, only 182 had adequate filters in their beams. The remaining 186 machines had less filtration than the minimum permissible under NCRP standards—and some had no filters in the beam at all. Radiologists were, in this as in other respects, better than physicians who were not radiologists; nine-tenths of the former met NCRP filtration standards as compared with only one-fifth of the latter. Similar conditions were found in Dade County, Philadelphia, and New York City.

FLUOROSCOPY

Fluoroscopic examinations are not as common as medical and dental X-ray pictures but because of the heavy dosages involved their radiation can be even more significant to individual patients. The fluoroscope presents a continuously moving though fuzzy image rather than a stationary and clear picture taken at a particular moment. The difference between the fluoroscope image and the X-ray picture is much like the difference between television and a snapshot. In some cases, the moving image is important to diagnosis. It enables the physician to see your internal organs in operation and to observe the relationships between them. By having you turn in front of the fluoroscope he can get a perspective view of the heart, for example, and all its surrounding organs which would require a whole series of X-ray pictures.

The trouble is that fluoroscopy is not being confined to these special applications. In the Oregon survey, for example, some pediatricians were found who routinely fluoroscoped all babies. Elsewhere it has been reported that physicians use fluoroscopes in routine adult examinations and checkups. The routine use of the fluoroscope for checkup purposes, however, is now universally condemned, for babies and for adults. The dosage is much too high even with impeccable technique and a good machine. A fluoroscope examination of the chest, for example, may subject the patient to 200 times the X-ray dosage required for a good X-ray film. In place of routine fluoroscopy, conscientious physicians now use a fluoroscope only when there is a specific medical need not met by other diagnostic means, and use very special care with infants, children, pregnant women, and young adults.

All the surveys point up the dangers inherent in misused fluoroscopy. One such danger lies in the amount of radiation per minute which is beamed at you. Some radiologists manage to get along with the X-ray beam set for only two or three roentgens per minute. The NCRP recommendations specify that exposure should be as low as possible, and shall not exceed 10 roentgens per minute.

In Dade County, 113 of 189 fluoroscopes in private offices were delivering more than 10 roentgens per minute, and of these, 25 were delivering radiation at a rate in excess of 20 roentgens per minute.

The Oregon survey showed what is probably the typical situation: many physicians did not know and could not even guess how much radiation their fluoroscopes were emitting. More than a third of the Oregon machines outside hospitals and radiologists' offices failed to meet the generous NCRP standard; one beam was measured at 65 roentgens per minute. Exposure to such a machine for a minute would give the patient a larger X-ray dose than several hundred ordinary X-ray pictures.

The foregoing dangers involve excessive fluoroscopic dosage per minute of exposure. But there is a second way in which you can receive an excessive fluoroscope dose—by being exposed to the beam for too long a period. Sitting there in the dark, a physician may find it difficult to judge the passage of time. The possibility of a fluoroscopic exposure which goes on and on at the rate of 10 roentgens or more per minute is thus a very real hazard.

To avoid excessive length of exposure, the conscientious radiologist uses such precautions as a foot switch of the "deadman" type and a timer which automatically turns off the beam when a fixed time (5 minutes or less) has elapsed. Once he has checked the points which can be checked only with the fluoroscope, he turns the machine off altogether and takes ordinary X-ray pictures to record the rest of the details. Some fluoroscopes, the surveys revealed, lack timers altogether; some have timers which are out of order; some have timers which do not turn off the beam when the maximum time has elapsed; some have timers which run for an hour instead of for the recommended 5-minute maximum. In the Dade County survey only 30 of 204 fluoroscopes were equipped with suitable timing devices.

When using the fluoroscope, the physican himself is exposed to radiation, some of it coming directly from the tube and some of it scattered toward him by X-ray-reflecting objects. Good practice therefore requires that he wear a lead apron and lead gloves when using the machine. The surveys showed that some physicians don't even own these items for their own protection.

Shoe-fitting fluoroscopes, which were common in shoestores years ago, have been recognized as a source of severe gonadal dosage of an utterly unnecessary kind. Many States prohibit their use entirely, but they are still in use in many places (see table).

X-RAY THERAPY

Like the use of X-rays for fluoroscopy, the use of X-rays for the actual treatment of disease often requires dosages far in excess of those used for taking X-ray pictures.

The use of X-rays to treat cancer is an example. Massive dosages are generally administered to the tumor; but the hoped-for benefit greatly outweighs the hazard to adjoining areas. For the patient facing cancer radiation, there is only one sensible rule: Make sure you are in the hands of a competent radiation therapist.

The use of X-rays to treat nonmalignant conditions—X-rays are frequently so used—raises a number of additional questions. Among the many ailments for which a physician may (or may not) prescribe X-rays are such common afflictions as acne, arthritis of the spine, bursitis, eczema, fungus infections, and warts. Should you accept X-ray treatment for mild, non-life-threatening conditions such as these?

CU's medical consultants hesitate to advise a fixed rule against all such use of X-rays. Most medical authorities now condemn their use in any ailment for which there is another treatment that works as well. In bursitis severe enough to be disabling, for example, some physicians might prescribe X-ray treatments when other measures fail, but there is no evidence that X-ray is better than other treatments such as steroid hormone injections, for this painful condition. The truth of the matter is that properly controlled tests comparing the treatments have never been made. CU's advice to patients can best be summed up in two simples rules.

1. If a physician recommends a course of X-ray treatments for any nonmalignant condition without first trying other kinds of treatment, get a second medical opinion before going ahead.

2. Do not accept a series of X-ray treatments from a practitioner not specifically qualified in the use of X-rays. Consult a radiologist or, next best, a specialist in the particular field of your illness—such as a dermatologist for skin treatment.

BABIES AND PREGNANT WOMEN

The available evidence suggests that unborn babies may be particularly susceptible to radiation damage, especially during the first few weeks of intrauterine life. Radiologists therefore recommend that for all pregnant women X-ray procedures which are not urgent be postponed until after the baby is born.

Not so many years ago, physicians often X-rayed pregnant women to measure the pelvis and determine the position of the baby. Routine X-ray pelvimetry is no longer considered to be good medical practice. In selected cases, however, obstetricians still feel the need for pelvic X-rays late in pregnancy. If a woman knows she is pregnant, she is well advised to avoid any X-rays merely for checkup purposes. If there is a sound medical reason for an X-ray, and the area involved is not the pelvic area, she should request that a lead sheet be placed over her abdomen and pelvic area before the X-ray is taken.

What about the woman who has been pregnant for a week or two but who doesn't yet know it? Her unborn baby is presumably at the stage of greatest susceptibility to X-rays. Her solution is obvious. During her childbearing years, a sexually active woman should whenever possible have her X-ray examinations scheduled during the 2 weeks immediately following a menstrual period. By avoiding X-rays during the 2 weeks preceding a menstrual period, she can reduce the chance of exposure while she is unwittingly pregnant. (When an X-ray is urgently needed, it should of course be promptly performed whether or not there is a pregnancy or possible pregnancy.)

ROUTINE CHEST AND DENTAL X-RAYS

Annual chest X-ray examinations for tuberculosis are no longer considered necessary, except for segments of the population whose rate of exposure and susceptibility are high. For most people, a tuberculin skin test is adequate for screening, with an X-ray only if the skin test is positive. Annual or even semiannual X-ray examinations for lung cancer in persons over 40 may be advisable.

Nowadays, according to the American Dental Association, dentists generally take one full set of X-rays of new patients, and of any other patients when conditions indicate the need. X-rays are taken more frequently, for example, of the caries-prone patient or the patient with periodontal (gum) disease. For other patients, most dentists now use X-rays at less frequent but regular intervals. The dentist may also use a "bite wing" X-ray for such patients. The bite wing X-rays show both the upper and lower teeth on one film; fewer exposures are thus required.

If your dentist's X-ray machine has a filter and a cone, and he uses fast film, you need not hesitate to let him take X-rays when he indicates they are necessary. The exposure involved in dental X-rays is not large, and the dosage to the gonads from a good machine is very slight. He should also use a protective apron on you, of course.

WHAT NEEDS TO BE DONE

CU's consultants agree that, in the final analysis, the protection of the patient from unnecessary X-ray dosage is a responsibility of the medical profession. Laws and regulations cannot assure sound procedures. The individual practitioner must be educated; he must carefully apply what he has learned.

A patient's best protection is thus a competent, conscientious physician—one who will not use X-rays unnecessarily or use more than the necessary amount, and who will refer his patients to a radiologist or other specialist if an X-ray procedure is needed which taxes his own capacities or that of his machine.

But there still remains a wide area of protection within which laws and regulations can work and should be adopted and enforced. While regulations cannot guarantee sound procedures, they can eliminate the worst abuses.

A physician who takes longer than necessary to fluoroscope a patient, for example, cannot readily be curbed by State regulation. But the State can at least require that every physician have a timer on his fluoroscope, properly designed and in good condition, so that he will not by accident keep the patient in the beam too long.

Here, in rough outline, are the legal measures which, in CU's opinion, are likely to accomplish the most.

Type approval

A well-designed X-ray machine has a number of built-in safeguards. The tube housing, for example, is so constructed that no more than a specified amount of radiation leaks out in unwanted directions, and there are safeguards to prevent the beam from being turned on accidentally.

Specifications covering such design points as these have been published by the NCRP and have been adopted as standards by some States; and there are more detailed Federal specifications which must be met by X-ray equipment purchased for use by the Federal Government. CU believes that all new equipment should be required by law to meet such standards and specifications before it is sold in interstate commerce. Manufacturers of X-ray equipment might be required to submit a sample or prototype of each model for governmental testing. If the sample met standards and specifications, type approval could then be granted for all machines identical with the sample. A type approval insignia permanently affixed to the machine would assure purchasers, State and local inspectors, and patients that the machine had been properly designed in the first place.

Thought also should be given to the regulation of "X-ray jalopies"—secondhand machines. "Obsolete equipment is being traded in," the Dade County survey notes, "only to be resold by some distributors without regard to the radiation hazards inherent in the design."

Registration

State laws should require the registration of all medical and dental X-ray machines. This is a minimum requirement without which other regulations are impossible. If inspectors don't know where X-ray machines are located, they cannot, for example, check them to make sure they are equipped with adequate filters. As noted below only about half the States now require registration of medical and dental X-ray machines. Several other States (Connecticut, for example) require the registration of sources of radiation generally—but specifically exempt from registration the medical and dental machines which are responsible for the bulk of all man-made radiation received by the public.

Legal standards

Even though an X-ray machine meets Federal standards and specifications initially, it should continue to be subject thereafter to compliance with State regulation or codes. This is necessary for two reasons.

For one thing, a machine may be modified after manufacture. The filter with which it was initially equipped may be removed, for example, or other changes may be made. Protective accessories may be omitted to cut the cost. "Some means must be found," says the Dade County survey, "to prevent sales personnel from cutting corners which nullify good original design."

For another thing, the way in which the machine is installed may present a hazard. An X-ray machine aimed at a wall may constitute a hazard to occupants of the next office if the wall is not shielded; in the case of fluoroscopes, shielding may be required to protect the neighbors upstairs. During the New York City survey, two cases turned up of X-rays passing through walls into neighboring apartments occupied by families. Standards governing such matters may be based on NCRP recommendations—but they should be enacted and enforced by the States, and the States should be free to enact stricter requirements than the minimums set by the NCRP.

Inspection and certification

State and city health departments should be adequately staffed to inspect all medical and dental X-ray installations periodically, in part to assure compliance with State regulations, and in part to suggest improvements in technique over and above the regulations.

An X-ray installation which meets standards, CU believes, should receive a certificate, showing the date of inspection, to be posted conspicuously in the X-ray room—just as restaurants and elevators are now required to post inspection certificates. Patients could then refuse to be X-rayed by any machine which lacked a properly dated certificate.

Certification would not, of course, assure the patient that he would receive only the necessary dosage. Even though a fluoroscope were carefully inspected yesterday, a physician today could keep the beam turned on longer than necessary. But a patient would at least be assured that the machine was capable of being operated safely, that all necessary safeguards were available—and that the operator's methods had been checked by an inspector capable of recommending improvements.

The need for periodic inspection, reinspection, and recertification after each inspection is abundantly shown by the experience in Dade County.

Following the original Dade County survey of 204 X-ray machines and 204 fluoroscopes, health officials checked again. They had left written recommendations for eliminating potential hazards with physicians whose installations or methods had been found to be substandard. And about a year after the original survey, 50 of these physicians were selected at random for a resurvey. Their offices had contained 32 X-ray machines and 37 fluoroscopes. Seven physicians, the re-survey showed, had discontinued use of their fluoroscopes; and two had purchased new X-ray machines. But the rest of the compliance picture was hardly satisfactory: Out of 118 recommendations made, only 41 had been complied with.

In New York City, where inspectors not only recommend improvements but point out that failure to comply is a violation of the law, results were somewhat better—but hardly a cause for congratulation. Professor Blatz estimates on the basis of spot checks and other data that the New York City physicians' compliance with required improvements has been about 60 percent. He adds, however, that among physicians required to install structural shielding to protect neighbors within a 5-year grace period, the city's inspectors were not able to turn up even one physician during the first 4 years who had actually installed such shielding.

A NOTE TO PHYSICIANS AND DENTISTS

When a physician or dentist buys a new machine, he should get a written guarantee that it meets Federal purchasing specifications as well as NCRP recommendations, and he should make sure that all recommended safety and protective devices are included. Whether his machine is new or old, he should have his X-ray area and machine inspected to make sure there is adequate shielding in proper places, that the machine is not leaking, and that the protective devices and techniques give optimum results with maximum protection for himself and his patients. City or State health departments may perform such inspections; otherwise a radiologist or health physicist can be called in.

The U.S. Public Health Service maintains a mail-order service for checking on dental X-ray exposures, made available to dentists through State health departments. The service utilizes an equipment packet known as a Sur-Pak, which contains an 8- by 10-inch X-ray film. The dentist exposes this film in his own X-ray machine in accordance with instructions. The film is then checked by the Public Health Service, and recommendations for improvement are returned to the dentist. The Sur-Pak checks only the size of the irradiated area and adequacy of filtration; a complete inspection of the X-ray and techniques is still advisable.

If this service is not available in your State, ask your State health department to make the necessary arrangements with the U.S. Public Health Service.

Two booklets which contain the basic fundamentals of good X-ray machine design and techniques are available:

"A Practical Manual on the Medical and Dental Use of X-rays With Control of Radiation Hazards," available from the American College of Radiology, 20 North Wacker Drive, Chicago, Ill., at 30 cents per copy.

This is a clear, simple exposition of the basic principles of radiation biology and radiation physics. Its excellent text and illustrations cover the subjects of radiation hazards and radiation dose and control, including practical procedures.

"Medical X-ray Protection up to 3 Million Volts," National Bureau of Standards Handbook 76; available from the Superintendent of Documents, Government Printing Office, Washington, D.C., at 25 cents per copy.

A more technical manual, covering proper methods of construction (i.e., shielding) of the X-ray area, inspection for radiation hazards of the installed machines, rules for operating conditions, and specific recommendations for radiation protection measures (beam-limiting devices, filters, switch and timer on fluoroscopes, protective aprons, etc.). This handbook contains the recommendations of the NCRP.

HOW MUCH CAN X-RAY EXPOSURE BE REDUCED?

Many physicians and dentists make use of a few simple techniques to reduce the patient's X-ray exposure without impairing the quality of the pictures. One is the use of a filter (see discussion above and drawing). Another involves varying the kilovoltage and milliamperage to achieve proper density of the picture: old instruction charts call for relatively low kilovoltage for the X-rays of thin parts of the body. The preferred procedure today is to use higher kilovoltages than were formerly recommended for all exposures; a larger proportion of the X-rays then reaches the film and the dose to the patient is thereby reduced. Still a third useful approach is to use fast film and a fast intensifying screen to get pictures of good quality (except where exceedingly fine detail is needed) with minimum exposure to the patient. With regard to film development, the doctor can (and apparently often does) save a little time by giving a longer exposure and using a shorter development, but this is poor practice. Careful development, using the full time and temperature recommended, improves the picture and cuts down radiation to the patient.

The Oregon State Health Department has shown just how much can be accomplished toward safeguarding patients from radiation with such techniuqes in a more or less typical situation. An ordinary X-ray machine without a filter, operated at 60 kilovolts, with standard-speed film developed for 3 minutes, used to take a picture of a woman's pelvis, will deliver a dose to the ovaries which, for comparison purposes, we can arbitrarily set at 100 units. By developing the film for 5 minutes instead of 3, or by adding an adequate filter, or by increasing the kilovoltage from 60 to 85, the physician can reduce the dosage to the ovaries from 100 units to about 60. If all three measures are taken, the dosage will fall to less than 30 units. In addition, the use of fast film and a fast screen will further reduce the dosage to 14 units, one-seventh the original level. Moreover, the area receiving this reduced dosage can be reduced by proper beam-limiting devices.

State-control programs for X-ray machines

	Compliance with protective regulation	Registration program	Number registered	Field inspection		Sur-Pak program	Shoe fluoroscopes prohibited	Additional comments
				Personnel	Machines inspected			
Alabama	No regulation	None		None		Yes	No	(1).
Alaska	Optional	Optional	None	¼	25	Yes	Yes	
Arizona	No regulation	None		None		No	No	(2).
Arkansas	Mandatory	do		None		No	Yes	
California	No regulation	Mandatory	18,000	None		No	No	(3).
Colorado	Mandatory	do	2,238	1	600	Yes	No	
Connecticut	do	None		None		No	Yes	(4 5).
Delaware	Optional	do		None		No	Yes	(2).
District of Columbia	No regulation	Mandatory	1,000	None	50	No	Yes	(2).
Florida	Mandatory	do	(6)	3	800	(7)	Yes	
Georgia	No regulation	None		1	650	Yes	No	(2).
Hawaii	Mandatory	Mandatory	450	½	25	No	No	
Idaho	do	do	(6)	½	200	(7)	No	
Illinois	do	do	9,000	15	3,000	(7)	Yes	
Indiana	No regulation	do	3,300	1	350	Yes	Yes	
Iowa	do	None		None		Yes	Yes	(8).
Kansas	Mandatory	Mandatory	2,000	None	30	No	Yes	(2).
Kentucky	do	do	(6)	½	85	Yes	No	
Louisiana	do	None		½	300	No	Yes	
Maine	do	Mandatory	733	1	100	No	No	(5).
Maryland	No regulation	None		None	(8)	Yes	No	
Massachusetts	Optional	Optional	None	5	2,500	Yes	Yes	
Michigan	Mandatory	Mandatory	10,000	4	1,700	No	No	
Minnesota	do	do	2,449	2	800	Yes	Yes	
Mississippi	Optional	do	330	1	330	Yes	Yes	
Missouri	No regulation	None		None		Yes	No	
Montana	do	do		⅛	300	(7)	Yes	(8).
Nebraska	do	do		1		Yes	No	(2).
Nevada	do	Optional	97	None	(6)	(7)	Yes	
New Hampshire	Optional	do	None	1	250	(7)	Yes	
New Jersey	Mandatory	Mandatory	6,850	4	80	(7)	No	
New Mexico	No regulation	do	308	None	308	Yes	Yes	(5).
New York	Mandatory	do	27,056	33	13,965	(7)	Yes	
North Carolina	No regulation	Optional	(9)	½	200	(7)	No	
North Dakota	Optional	do	408	½	200	Yes	No	
Ohio	No regulation	None		None	20	No	Yes	
Oklahoma	do	do		None	10	Yes	No	
Oregon	Mandatory	Mandatory	(6)	2	1,400	Yes	Yes	
Pennsylvania	do	do	9,100	13½	4,200	No	Yes	(8).
Rhode Island	No regulation	None		1	5	No	Yes	
South Carolina	do	do		(9)	200	No	No	(2).
South Dakota	Optional	Mandatory	600	1	70	No	Yes	
Tennessee	No regulation	do	4,000	6	660	No	Yes	
Texas	Mandatory	do	5,200	4	700	Yes	Yes	(5).
Utah	No regulation	None		None		Yes	No	
Vermont	do	do		None		Yes	Yes	
Virginia	Optional	Mandatory	2,500	3	104	Yes	Yes	
Washington	Mandatory	do	None	1	381	Yes	Yes	
West Virginia	No regulation	None		None	20	Yes	No	(2).
Wisconsin	do	do		None	69	Yes	Yes	(2).
Wyoming	do	do		1	19	Yes	No	(2).

1 Inspection planned for Jefferson County.
2 Inspection on request basis.
3 X-ray machines in Los Angeles are being inspected.
4 Dental machines in Hartford are being inspected.
5 Standards for protection of operator only.
6 In process.
7 Sur-Pak not necessary; complete inspection available.
8 Inspections are being made on a limited survey basis.
9 Not stated.

EXPLANATION OF SUBSTITUTE FOR H.R. 10 AS APPROVED BY SENATE COMMITTEE ON FINANCE

Mr. MANSFIELD. Madam President, I ask unanimous consent that an explanation of the substitute for H.R. 10 as approved by the Senate Finance Committee and ordered favorably reported to the Senate be incorporated in the RECORD.

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

EXPLANATION OF SUBSTITUTE FOR H.R. 10 AS APPROVED BY THE SENATE FINANCE COMMITTEE AND ORDERED FAVORABLY REPORTED TO SENATE

1. Basic concept: Self-employed persons generally would be treated as employees for pension plan purposes and would become eligible for coverage in qualified plans. All separate businesses of self-employed persons would be considered as one business for their retirement plan purposes.

2. Coverage for employees of self-employed individuals: Self-employed persons establishing retirement plans for themselves would be required to cover all full-time employees with more than 3 years of service. Seasonal, part-time and temporary employees could be excluded.

3. Amount deductible annually by self-employed individuals: A self-employed person would be permitted to contribute to a retirement plan 10 percent of his earned income or $2,500, whichever is the lesser. He would be permitted to deduct 100 percent of the first $1,000 contributed and 50 percent of the remaining $1,500 which may be contributed. Maximum deductible amount would be $1,750.

4. Base for deduction: "Earned income." This term means professional fees and other compensation for personal services. Where both capital and personal services are material income-producing factors, the term means not more than 30 percent of income from the business, but not less than $2,500 where self-employed person renders full-time personal services.

5. Vesting: In plans covering self-employed persons immediate vesting would be required with respect to amounts contributed for employees.

6. Coordination with social security: Coordination would be permitted for plans covering self-employed persons if contributions for such self-employed persons do not exceed one-third of the total deductible contributions. Plan is given credit only for actual social security contributions made by the employer.

7. No capital gains treatment: Special averaging provided instead of capital gains treatment with respect to lump-sum distributions received by self-employed persons.

8. Estate and gift tax exclusions: Self-employed individuals not eligible for estate and gift tax exclusions.

9. Limitation on time of payment of benefits: Benefits could not be payable to more than 10 percent owners before age 59½ (except in the case of permanent disability or death) but must begin before age 70½.

10. Face amount certificates: Investment in nontransferable face amount certificates permitted.

11. Custodial account: Custodial account in a bank is permitted in lieu of trust if investments are solely in regulated investment company stock or life insurance policies. In this connection the committee included in the term "bank" various institutions regulated by State banking authorities.

12. Bond purchase plan: Direct deductible investment in special issue of nontransferable retirement bonds permitted.

The Finance Committee substitute did not include provisions which would restrict contributions or benefits under corporate owner manager type pension plans.

The committee approved several miscellaneous amendments to the bill. One of these amendments would enable the self-employed person to use a level premium annuity or life insurance policy under his retirement plan, the premium to be limited in accordance with his average earned income for a 3-year period, the deduction (if any) being based on his earned income for the taxable year. Another would require that annuity contracts under all pension plans must be nontransferable. A third amendment would permit annuities which have commenced to pay out to a self-employed person or to his surviving spouse to continue to be paid out to a surviving beneficiary of the self-employed person or his spouse.

As approved by the committee, H.R. 10 would become effective for taxable years beginning after December 31, 1961.

The bill will not be reported to the Senate before Tuesday, September 5, 1961.

WITHHOLDING OF PAY OF CERTAIN CIVILIAN EMPLOYEES OF THE NATIONAL GUARD

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 685, House bill 4785.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 4785) relating to withholding for State employee retirement disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard, which had been reported from the Committee on Armed Services, with an amendment.

Mr. STENNIS. Madam President, I do not think there is any disagreement, so far as the Senator from Mississippi knows, as to the principal part of the bill, but merely in connection with the amendment that has been added by the Armed Services Committee.

Quite briefly, an explanation of the bill is that there is now a law which permits the Federal Government to withhold, and to pay over to the State retirement systems, employees' contributions for civilian employees of the National Guard. The House bill would merely extend that law and permit it to apply not only to retirement plans, but also to death and disability benefits.

The Senate Committee on Armed Services recommends the passage of the bill; and, in addition, suggests an amendment to cover something which has been before the Senate and the House and before the Appropriations Committees several times.

Technicians are employed by the National Guards of the various States. Technically these people are State employees, but actually their salaries are paid by the Federal Government. They are selected solely through the agents of the Federal Government. To all intents and purposes, except for the technical situation, they are Federal employees. Therefore, based on merit and on right, the Federal Government should pay at least the employer's share of the retirement benefits for these particular employees.

This suggestion has already been included in an appropriation bill and approved by the Senate. It went to conference. The Senator from Mississippi was a member of the conference committee. I understand there was no objection to the payments on the merits of the question, but a serious question was raised by the House conferees that really there was no statutory authority for the payments yet, and even if there might be, by implication, it was still a legislative problem which should be passed upon.

The Senate yielded that money in the conference with the idea of seeking legislative authority, which the amendment offered by the Senate Committee on Armed Services would provide.

I repeat that for clarity. The Committee on Armed Services proposes an amendment to permit the Federal Government to pay into the State retirement systems, for the benefit of the employees, the employer's share up to a certain level, for the technicians who work for the National Guard.

A question arose as to what percent the Federal Government should pay. Some States have retirement benefits under which employers pay up to 9.6 percent. It was agreed, under the amendment, that payments would be authorized up to only 6½ percent. That percentage was selected because it is the amount paid for regular Federal employees. The Senate Armed Services Committee recommends a payment up to 6½ percent, but not beyond. If the payment should happen to be lower in any State, only the amount normally paid in that State would be allowed. Six and a half percent would be the maximum.

I do not wish to anticipate what the Senator from New York will say in his arguments, but to cover the point I must refer to the amendment to be offered by the Senator from New York. The amendment to be offered by the Senator from New York would strike out the 6½ percent and permit the maximum to be whatever the State law provided. The proposal was considered in the committee. For what seems to me to be almost obvious reasons it was rejected. With logic and consistency we could hardly allow more than we allow for the regular Federal employees.

The Bureau of the Budget also considered the problem during the course of the year, and agreed on the figure of up to 6½ percent.

With deference to my friend from New York, perhaps at this time he may wish to present his amendment.

Mr. KEATING. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEATING. Is the Senate considering the bill as an original bill, or has the distinguished Senator from Mississippi offered the amendment known as section 2?

The PRESIDING OFFICER. The committee amendment has not been stated.

The committee amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, after line 3, it is proposed to insert a new section, as follows:

SEC. 2. Section 709(f) of title 32, United States Code, is amended by adding at the end thereof the following: "Compensation authorized under this section may include the amounts of the employer's contributions to retirement systems. Such contributions shall not exceed 6½ per centum of the compensation on which such contributions are based."

Mr. KEATING. Madam President, I offer an amendment to the committee amendment. The amendment is printed and designated "8–16–61—A." I offer it on behalf of myself, my colleague [Mr. JAVITS], the Senator from New Jersey [Mr. CASE], and the Senator from Hawaii [Mr. FONG].

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 3, line 8, beginning with "Such", it is proposed to strike out all down through the period in line 9.

Mr. KEATING. Madam President, the amendment, offered by my distinguished colleagues and myself, would strike out the words:

Such contributions shall not exceed 6½ per centum of the compensation on which such contributions are based.

The purpose of the amendment is to retain what seems to me to be the elemental principle of fairness, so far as retirement benefits for the civilian employees of the National Guard are concerned. These employees work side by side with State employees in the supervision and handling of National Guard equipment. Their salaries have been paid by the Federal Government, but no contribution has been made for their retirement benefits.

The proposed legislation would authorize the Federal Government to pay the employer's contribution for retirement costs but, as presently written, would set the limit, as the distinguished Senator has pointed out, at 6½ percent.

It is true that 6½ percent is the percentage paid for other Federal employees. I point out that it is not the percentage which is contributed for retirement benefits for Members of Congress, which is 7½ percent.

At first glance there appears to be good reason for placing a statutory limitation of 6½ percent on the amount the

Federal Government should pay for National Guard technicians' retirement, but in fact this limitation is completely arbitrary and unfair, because the 6½-percent contribution which the Federal Government makes for Federal employees is not adequate to cover the retirement benefits which are already authorized by law. In a few years it will be absolutely necessary, I am informed by actuaries at the Civil Service Commission, to provide additional appropriations or set a higher contribution rate in order to meet the needs under the present Federal employee benefit schedules. In short, today, because of salary increases and other benefits, the Federal retirement fund is actuarially unsound.

To illustrate exactly how unfair the limitation would be, I wish to place into the RECORD the figures from the latest annual report of the Board of Actuaries of the civil service retirement system. The standard figuring for normal cost of the system as of June 30, 1959, is 13.83 percent. Of this 6.5 percent is contributed by the employer and 6.5 percent is contributed by the employee. If one adds 6.5 percent to 6.5 percent, one cannot reach 13.83 percent. There is a deficit of .83 percent, which can be met only by further Government appropriations.

To translate this relatively small percentage figure into dollars, we apply an 0.83-percent deficiency to the estimated payroll as of June 30, 1959, the last I could obtain, though I assume the situation would be worse now. The result is an amount equivalent to over $92 million. In other words, the 6.5-percent limitation on the Federal contribution written into the bill is roughly inadequate for present Federal employee benefits in the amount of more than $92 million a year. The very size of this deficiency, it seems to me, reinforces the argument that the 6.5-percent limit is completely arbitrary and unrealistic.

On the other hand, many States are required by law to maintain actuarially sound and fully funded retirement funds. That applies to the State of New York, for instance. The State cannot pay out anything without first insuring that the integrity of the fund will not be impaired.

Many States pay a total contribution to employment retirement benefits greater than 6.5 percent. New York State pays nearly 13 percent, including social security, and nearly 10 percent without social security.

I have some figures on that subject which are very interesting.

California pays 9.16 percent; Hawaii pays 7.29 percent; New Jersey pays 7 percent; New York pays 9.619 percent; and Ohio pays 7.41 percent.

If we add the 3 percent for social security, the following States also would be prejudiced by the amendment: Delaware, Florida, Kentucky, Minnesota, Missouri, Nevada, New Mexico, Tennessee, Texas, Vermont, Virginia, and Washington.

I recognize that this is a complex subject. For that reason I invite attention to the fact that there are many National Guard units and others trying to protect the technicians who would like to have a mandatory provision that the Federal Government contribute what the States contribute to the systems. The amendment is not mandatory. It would merely eliminate the 6.5-percent ceiling on Federal contributions from the authorizing legislation. That would merely mean that payments would be discretionary.

It would permit the Department of Defense to study this question further rather than to be limited to the 6½ percent. The record shows that the Department of Defense takes exactly the position that I take on this question. It is true, as the distinguished Senator has pointed out, that the Bureau of the Budget wishes to have a percentage limit, but the Department of Defense makes precisely the point which is made in the amendment.

I strongly suspect that even if the amendment were agreed to and permission were given to go beyond 6½ percent, the actual amount of retirement benefits paid by the Federal Government would in fact be limited to 6½ percent for several years. But I am confident that as it becomes progressively clearer that the 6½-percent limitation on the contributions for Federal civil servants is inadequate, it will also be possible to increase the percentage paid to the National Guard technicians without requiring the repeal of the authorizing legislation.

What we seek to accomplish by the amendment is that the standard in the law should remain flexible enough to meet the circumstances that unquestionably will change from year to year.

As I have said, there are only 5 States in which 6½ percent is clearly below the level of the State contributions. There will be 23 other States involved altogether. Undoubtedly State increases in retirement pensions will bring other States in addition to these 23 over the 6½-percent limit as time goes on. To maintain a purely fictional limit on the Federal contribution to retirement funds of civilian employees of the National Guard seems to me to be manifestly unfair, particularly because so many of the States now provide equitable and actuarily sound retirement pensions for their employees.

So that even though the amendment may not mean much in dollars and cents, I feel strongly that it would be a mistake to place such an arbitrary top limit on the amount which may be contributed by the Federal Government to this retirement system.

Mr. HRUSKA. Madam President, will the Senator yield?

Mr. KEATING. I am happy to yield to the Senator from Nebraska.

Mr. HRUSKA. Are the States now receiving the 6½ percent, or is payment made by the Federal Government of 6½ percent toward these payrolls?

Mr. KEATING. As I understand, they receive nothing now for retirement contributions.

Mr. HRUSKA. If that is true, it is difficult to understand the statement of the Senator from New York that the States are being penalized by reason of receiving 6½ percent from the Federal Government toward these systems, when they are not receiving anything now. As I understand the position of the committee, they will be treated as well as the other Federal employees are treated in respect to funds from the public treasury, namely, 6½ percent. If there is any State system of retirement whose percentage exceeds that percentage, it will be up to the employee or the State to pay the difference in order to have whatever they want.

But it is very doubtful reasoning, it seems to me, to say that the State or the employee receiving the benefit of 6½ percent of his pay now, which he is not now receiving, would suffer a penalty and there would be a prejudice to the State or to the employee.

Mr. KEATING. In answer to my friend from Nebraska, we are establishing the principle that the Federal Government should pay the employer's contributions to retirement systems. That is a sound principle, in my judgment, and if we set it up as a principle, I do not see what basis there would be for placing an arbitrary top limit on the contribution when there is such a variance between the various States as to the amount which they contribute to the employer's system.

Mr. HRUSKA. The alternative would be to inflict an even greater inequity. The employees in reality are State employees, although they are paid from the Federal Treasury.

Mr. KEATING. In some respects, they are considered State employees, but in other respects they are Federal.

Mr. HRUSKA. In effect, until they are federalized, they are State employees. I do not think there is any question about that point. However, if the contention of the Senator from New York should prevail, a greater inequity would be created, because then all the rest of the employees under the civil service, as I understand, would be limited to 6½ percent, and favored persons would receive from the Federal Treasury more than 6½ percent toward retirement.

That alternative has been canvassed by the Committee on Armed Services. The question has been adjudicated as between those two inequities, and the committee has chosen the lesser of the two for many millions of employees.

Mr. KEATING. These particular employees are paid by the Federal Government and are working in the States side by side with State employees all over the Nation. For example, employed by the State of New York a technician sits beside a National Guard technician. They are doing exactly the same work. The State is contributing a very much larger percentage to the State employee who is seated in one chair than the Federal Government would, under this legislation, contribute to the one next to him.

I have pointed out that example. I do not think for 1 minute that the Federal Government under its present system can afford to pay more than 6½ percent at the moment. If the amendment is adopted, they will not pay more than 6½ percent, because the fund cannot go any further in the red than it has gone already, or is going every year. But the amendment would operate under the doctrine of States rights, in which I am a firm believer. Yet the amendment is being opposed by some who seriously contend for States rights day after day. This is a good States rights amendment. Those who believe in each State having the privilege of handling this question under its own State laws ought to support the amendment.

Mr. HRUSKA. I could not disagree with the Senator more politely but more forcefully than when he tries to contend for States rights on this question.

The rejection of the amendment is called for by those who firmly and conscientiously believe in States rights, because by the defeat of the amendment, there will be preserved to the States the right to have a State retirement fund for all their employees at any rate they want to set.

I suggest, in regard to the example stated by the Senator from New York, with respect to having one chair filled by a State employee and another by a State employee paid under the proposed Federal 6½-percent payment, that there be a third chair, and that that chair be occupied by a regular full-time employee, in a technical sense, who would be receiving 6½ percent while the others would be receiving more than 6½ percent.

Mr. KEATING. But the fallacy in the argument of the Senator from Nebraska is that there is no third chair.

Mr. HRUSKA. Why not?

Mr. KEATING. The technicians work along with the State employees. I am told that is the manner in which they operate. There are no Federal employees involved in this particular operation.

It is a little hard for me to vote, as we do year after year, a 7½-percent contribution to Members of Congress, and to put an arbitrary ceiling on the contribution of National Guard technicians of 6½ percent. I must stress the fact that all the amendment would do would be to strike out the ceiling. I do not see why any ceiling is placed on the proposal. Probably the Federal Government will operate the system so that the same amount will be given to all Federal employees. But why should we place a ceiling on the percentage? I do not understand the reasoning.

Mr. HRUSKA. As I understand, the bulk of civil service employees now receive 6½ percent. Roughly 2½ million are on the basis of 6½ percent. The Senator calls attention to a segment of legislative officials who are receiving 7½ percent. We would eliminate that inequity and create a much larger one.

Mr. STENNIS. Madam President, will the Senator yield for a question?

Mr. KEATING. I am happy to yield.

Mr. STENNIS. I thank the Senator from Nebraska for his very fine statement of the committee's position, and the very clear-cut manner in which he explained the full problem.

As I understand, the Senator from New York now has a retirement percentage contribution by employers of 9.6 percent.

Mr. KEATING. The Senator is correct.

Mr. STENNIS. Of course, that percentage might be changed to an even higher percentage in the future. That is a possibility. If the amendment of the Senator from New York should be agreed to and this bill should pass, I do not think it would have a chance to pass, with all deference, if the amendment of the Senator from New York were agreed to—any State could increase the amount of contribution, and the entire burden of the increase would fall on the Federal Government.

Mr. KEATING. Is the Senator asking me a question?

Mr. STENNIS. Yes.

Mr. KEATING. That would be true if the amendment were worded so as to make its provisions mandatory. All the amendment would do would be to leave the question discretionary. The Federal Government, as a practical matter, would probably not pay to National Guard technicians a larger percentage than is paid to other Federal employees. But the amendment would not in any way force the Federal Government to pay more, and if the States kept boosting their contribution to the employees, the Federal Government would not be required to pay the larger amount.

Mr. STENNIS. Nevertheless, the States would be permitted to increase their percentage, and therefore the Federal Government would either have to pay it or establish a cutoff level, or a maximum would be set somewhere. Is that not correct?

Mr. KEATING. The Federal Government probably would pay the same percentage to National Guard technicians as it would pay to other Federal employees. There is nothing in the amendment which would force the Government to do anything different.

Mr. STENNIS. We are trying to reach the point where those men will get something, and a legislative determination on this subject matter is what is required. The maximum amount to be paid is certainly a part of the problem. It is, therefore, a question for Congress to determine what the maximum should be.

In that connection, there is no doubt that the only way to have the proposed legislation passed is to place a limitation on it at exactly the same level as that at which Federal employees are paid. If it is not done at that level, I do not believe the bill should pass. If it should pass with the amendment of the Senator from New York included, we would rightfully be surrounded immediately by the regular Federal employees, who would be asking for an increase, because they would then be a nonfavored group.

Mr. JAVITS. Madam President, will my colleague yield?

Mr. KEATING. I yield.

Mr. JAVITS. First, I express appreciation to my colleague, the distinguished Senator from New York [Mr. KEATING], for carrying the ball on this amendment. So many problems arise in such a great State that if we did not divide the work and do our homework, we would be sunk in this Chamber. So it is gratifying to me that my colleague from New York has made a special study of the subject.

There is one thing which I believe has not been pointed out with respect to the Federal Government. I agree with the Senator from Mississippi when he says the Federal Government wishes to do something now in a situation which it has not done before. The Federal Government wishes to do justice; I am sure the Senator will agree with that statement. Therefore, it is not a matter of looking a gift horse in the mouth. We are dealing with our own Government and our own taxpayers, with a very large part of the money which would be used coming from our own State of New York. It is estimated that more than 19 percent of all Federal tax money comes from the State of New York, without going into the fact that tax money comes also from the other States. Of course it does. I think that is a point which must be made, and the Senator from Mississippi certainly has made it eloquently. However, I think we are entitled to plead for justice, even though the Federal Government is, as it were, "bountiful."

I believe the point which needs to be made is made in a letter from the steering committee of the New York congressional delegation, which I shall place in the RECORD. It lends some equity to our position.

The soundness of the fund will depend on Congress. Congress will make it good. I have heard the argument made many times that the fund is actuarily sound, based on the contributions from hard-money people like the Senator from Nebraska [Mr. HRUSKA], who has been one of the first to argue that point. However, in the State of New York, just as in the other so-called high payment States, the funds are actuarily sound.

When I was the attorney general of the State of New York, one of the members of my staff was an outstanding expert on retirement systems. He said the best thing I could do was to fund my Federal retirement, which was far greater in terms of service than State retirement. I was in the State government for only 2 years, but I have been a Federal official for 14 years. He advised me to take the State system. Under the Federal system, Congress may make good the commitment, because there is not enough money in the fund to make it good.

So from that point of view there is equity, in that the State employees affected do not have anything to look to but the fund. Fortunately, our State is trying to keep its fund actuarily sound, whereas under the Federal system the argument we accept as implicit is that the fund is dependent, to a substantial extent—the promise of retirement being kept—on the fact that Congress will back up the fund.

Mr. HRUSKA. Is the present New York rate 9½ percent?

Mr. JAVITS. It is something like that.

Mr. HRUSKA. Who pays the 9.6 percent now?

Mr. KEATING. The State of New York pays that amount for State employees.

Mr. HRUSKA. That makes it simple. The bill which is advanced here, which the Senator from Mississippi is advocating, merely provides that out of the 9.6 percent, instead of the State or the employee paying 9.6, they will pay 9.6 less 6½. No one is hurt; everyone is helped, it seems to me. I cannot quite see the argument or the logic of the position of the Senators from New York.

Mr. JAVITS. The logic of our position is that the Federal Government has taken the position, in principle, in this bill—this is the position the committee took—that it will follow this course in order to equalize the situation among the employees who are dedicated to the Federal service. That is what it really means. What we are pleading for is that the Government implement its principle. Senators are saying they are willing to implement this principle if we put something toward it. That is what the argument is.

Mr. KEATING. It is about two-thirds of the principle. We will pay two-thirds of the principle and the rest we will let go for the time being. That is the position of our opponents.

Mr. HRUSKA. This is interesting, because the principle which is involved in the amendment is that the bill seeks to invoke the principle of making whom equal? Not the State employees who are paid by the Federal Government, but employees paid by the Federal Government for this purpose, along with two and a half million other Federal employees. Certainly it is necessary to balance that equity, or inequity, which may arise and the fulfillment of that principle with the relatively limited principle of trying to equalize State employees with the employees who are on the Federal payroll.

Mr. JAVITS. It is necessary to look at the end of the process. The retirement benefit which the State employee will get is not very much different from the retirement benefit which the Federal employee will get, except that in the Federal Government the retirement is bought with less money, because if Congress decides there is not enough money, Congress will make good the deficit.

Under the State plan, the retirement is bought with the money which is required. That is really the point which my colleague from New York [Mr. KEATING] and I are making. We are asking for a Federal congressional promise to make up the difference with a percentage payment. So we argue that is the principle involved in the payment for the Federal employees. In order to equalize the payments for the State employees, it is necessary to pay the full amount which they require.

Mr. STENNIS. Mr. President, will the Senator from New York yield for one factual question? I do not have exact information. What does the employee in New York pay? What is the rate of his contribution?

Mr. KEATING. I believe that he pays the same amount. This is a cooperative retirement plan between the employer and the employee. He pays some 9.619 percent.

Mr. STENNIS. He pays 9.6 percent?

Mr. KEATING. I believe so.

Mr. STENNIS. I did not have that information before me. Madam President, I am ready to vote.

Mr. KEATING. The same is true in other States, including New Jersey, Hawaii, California, and Ohio. They are affected just as New York is affected.

Mr. STENNIS. Madam President, I am willing to vote. I think the Senate understands the facts.

Mr. JAVITS. Madam President, I ask unanimous consent to have printed at this point in the RECORD the letter of the New York Congressional Delegation Steering Committee, addressed to Honorable David E. Bell, Director of the Bureau of the Budget, dated June 2, 1961, concerning the bill.

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

NEW YORK CONGRESSIONAL DELEGATION,
Washington, D.C., June 2, 1961.

Hon. DAVID E. BELL,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. BELL: The New York congressional delegation has unanimously approved the proposal that necessary action should be taken and funds should be appropriated to permit full inclusion of Army National Guard and Air National Guard technicians in the State retirement systems of all States which authorize and desire such employees to be brought into their system.

In 1960 the Department of Defense recommended to the Bureau of the Budget the inclusion of sufficient funds for this purpose to cover all States concerned, including New York, but the Bureau of the Budget imposed a ceiling on the employer's contribution of 6.5 percent of the payrolls. The Bureau gave the following reason for its action, as stated on page 511 of the President's Budget:

"Since the pay rates of such employees are equated to those of comparable Federal employees, the total employer's contribution to Federal funds is limited to the rate authorized for Federal employees participating in the civil service retirement system."

It has been understood throughout the negotiations on this subject between the States and the National Guard Bureau during the past several years, that the Federal Government would take the State retirement systems as they found them and would make appropriations for the employer's contributions based on the amount that each State concerned is required to contribute for this purpose, according to its laws and regulations. The limitation imposed by the Bureau of the Budget is artificial and arbitrary and will, in many States, defeat the purpose of the negotiations, which is to provide retirement benefits for these technicians whose skills are vital to the successful operation of the Army National Guard and Air National Guard.

Special skills are vital in the administration and maintenance of the millions of dollars worth of airplanes, tanks, artillery, communications, and other essential equipment in the hands of the National Guard. If the National Guard is to bring its hardware and equipment readiness to the highest attainable standards and keep it there, it must be able to attract and keep the best technicians. This cannot be done without adequate retirement protection.

The days when the National Guard went into action a year or a year and a half behind the Active Forces are long gone. We might easily see a situation in which the first available reinforcements for a NATO emergency would be Army National Guard divisions and Air National Guard units. The National Guard needs to retain skilled technicians in order to meet any such emergency.

Efforts to secure retirement benefits for these technicians have been carried on for many years. Failure to obtain these benefits to date has made it difficult to secure and even more difficult to retain these technicians. If this trend is not reversed, the efficiency of the National Guard is bound to suffer.

To use the 6½-percent Federal contribution to the Federal retirement system as the ceiling for contributions to the State retirement systems is not a fair or accurate yardstick. Most States compute their rates for contributions to the State retirement systems on an annual basis, based on current experience. On the other hand, the Federal rate of 6½ percent was established by the act of July 31, 1956. Although the compensation of Federal employees has since been increased, no revision of cost factors and rates of contributions to the Federal retirement system has been made.

The 6½ percent does not take into consideration the costs of administration of the Federal retirement system. The appropriate yardstick is the current actual cost to the Federal Government rather than the outdated, arbitrary, and inadequate figure established by the 1956 act.

The reason given by the Bureau of the Budget, as quoted above, for fixing the 6½-percent limitation is fallacious on another ground. There is no legal requirement that technicians' pay be equated to the pay of Federal employees. Under title 32, United States Code, section 709, the service Secretaries can fix the salaries of the technicians at, below, or above Federal salaries. Since 1951 the Secretaries have fixed the ceiling on salaries that could be paid, at the going Federal rate in the geographical area concerned, leaving to the State authorities, the fixing of the actual rates.

For the reasons stated above, reconsideration is requested of your prior action in this matter and it is requested that you advise the Appropriations Committees of Congress that you are amenable to:

(a) Removal of the limitation imposed by the Bureau of the Budget on the employer's contribution, to 6½ percent of the payroll in each State concerned.

(b) Increase the appropriations requested in the President's Budget for this purpose by an additional $1.5 million of which $1 million is required for additional contributions in behalf of the Army National Guard technicians and $500,000 is required for additional contributions in behalf of Air National Guard technicians.

Yours very truly,
Representative EMANUEL CELLER,
Chairman.

Senator JACOB K. JAVITS.
Representative JOHN TABER.
Representative JAMES J. DELANEY.
Representative WILLIAM E. MILLER.

Mr. JAVITS. Madam President, I shall summarize the letter by pointing out the patriotic interest which is involved; the special skills of the National Guard employees who would be affected and who maintain many millions of dollars worth of equipment; and the fact that, whereas in former days if trouble should break out, the guard would be called, perhaps, a year or a year after the active force, now we know the guard will be called practically immediately.

The very same retirement benefits for these valuable technicians have been in effect for years. These are the equities which my colleague from New York [Mr. KEATING] has so very eloquently decribed, and whose argument I have done my best to buttress.

We believe that equity and the fulfillment of the Government's desire to do the right thing in the proposed legislation requires the adoption of the amendment.

Mr. STENNIS. Madam President, I ask unanimous consent that a statement which has been prepared on the bill and also a statement which has been prepared concerning the amendment of the Senator from New York [Mr. KEATING] be printed at this point in the RECORD.

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

STATEMENT BY SENATOR STENNIS

The basic purpose of this bill is to amend an existing provision of law under which the Federal Government may withhold and pay over to State retirement systems the employees' contributions of civilians employees of the National Guard. This authority now is limited to State retirement systems only. Since some of the States have their retirement plans or death or disability plans administered by insurance companies or comparable private institutions, the bill proposes to authorize withholding and paying over of the employees' contributions not only to State systems but also to State-sponsored systems involving retirement, disability, and death coverage. This basic purpose is simple and noncontroversial.

The Senate Committee on Armed Services amended the bill to authorize specifically a Federal contribution of not more than 6½ percent of the compensation on which the contribution is based to retirement systems for civilian employees of the National Guard, such as National Guard technicians.

Members of the Senate will recall that section 638 of the Department of Defense appropriations bill for fiscal year 1962 contained a provision having a purpose similar to the committe amendment to H.R. 4785. The House version of the Department of Defense appropriations bill contained no comparable provision. Section 638 was eliminated in conference not because of any disagreement with its provisions but because of the view that its subject matter is one properly for consideration by legislative committees rather than in an appropriations bill.

Under the amendment the contribution by the Federal Government to retirement systems for this group of employees would be limited to 6½ percent of the compensation on which the contribution is based. Any amounts now paid by the Federal Government as employer contributions to social security would be included within the 6½-percent limitation. The committee adopted the 6½-percent limitation in the realization that 6½ percent is the current rate of employer contribution to the civil service retirement system for regular Federal employees. There is no apparent justification for authorizing a contribution for the National Guard civilian personnel in excess of the rate authorized for regular Federal employees. It was the committee's view that any difference between the 6½-percent contribution and the cost of funding separate State systems should be provided by the States or by the employees themselves.

The amendment adopted by the committee is one that was supported by the Department of Defense and the Bureau of the Budget for inclusion in the defense appropriations bill. I believe it represents a sound approach in an attempt to provide an equitable retirement program for these National Guard employees who are not considered classified employees of the Federal Government and who, in some States at least, are not considered State employees. The Federal Government pays their salaries, and it seems entirely reasonable to make the same contributions for their retirement systems as are made for the regular Federal employees.

STATEMENT BY SENATOR STENNIS

I regret that I must oppose the amendment suggested by the Senator from New York, Mr. KEATING.

It is true that there are varying rates of employer contributions among the several States now having retirement systems. Some of these rates range as high as 9.6 percent. If the amount of the Federal contribution to these systems is to be measured by the State rate, however, inequities could be created, not only between different States but also between this group of National Guard technicians and regular Federal employees.

I am informed that the New York system involves an employer contribution rate of approximately 9.6 percent. If the social security contribution of 3½ percent on the first $4,800 of annual compensation is added to the State rate of 9.6 percent, it is clear that the total Federal contribution would be about 13 percent. In addition, approximately 95 percent of these employees also have membership in a Reserve component. As a result of this status, it is possible that they will qualify for Reserve retirement pay. This is entirely proper, but it also has a bearing on the amount of Federal contribution to other retirement systems.

The argument may be made that the current rate of contribution, 6½ percent, to the civil service retirement fund for regular Federal employees is inadequate to keep that system on a sound financial basis. If this is true, I think it does not necessarily follow that the Federal Government alone should provide for this specialized group of employees a contribution that conforms to the State rates.

If we are going above the 6½-percent rate for this group, it seems that it would be preferable from the viewpoint of the Federal Government to make these employees regular Federal employees for all purposes. These employees now are hired by the States, discharged by the States, and their rates of compensation are determined locally in accordance with standards and criteria set by the Secretaries of the Army and the Air Force.

I think it would be unwise to adopt the principle that the Federal contribution in this area is to be determined by the States. In my opinion the 6½-percent contribution is a fair one. I think it is not unreasonable to expect that any difference between this contribution and the rate required to conform to that of the several different State systems be made up by the employees themselves or the States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. KEATING] to the committee amendment.

Mr. KEATING. Madam President, on this amendment, I ask for a division.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

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

The bill (H.R. 4785) was read the third time, and passed.

The title was amended, so as to read: "An act to provide specific authority for Federal payments of the employer's share of the cost of retirement systems for civilian employees of the National Guard and to extend the authority for withholding employee contributions to State retirement systems by permitting deductions of employees' contributions to State-sponsored plans providing retirement disability or death benefits."

Mr. STENNIS. Madam President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOREIGN AID FALLACIES AND FACTS

Mr. SPARKMAN. Madam President, much confusion has arisen concerning the amount of foreign aid which has been extended from time to time. We see all kinds of figures and tables about the amount of such aid which has been extended over the years.

Mr. John Nuveen, chairman of the Foreign Policy Clearing House, has prepared one of the best statements on this subject that I have seen. It clarifies the situation with a series of tables and statements. I think it would be well for everyone to read it, particularly in view of the foreign aid program on which we are now working in conference committee. Therefore, I ask unanimous consent that the statement be printed at this point in my remarks.

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

FOREIGN AID FALLACIES AND FACTS

(By John Nuveen)

The principal debate on foreign aid for 1961–62 revolves around President Kennedy's request for $7.3 billion in long-term borrowing authority for "development assistance * * * to promote the economic development of less-developed countries and areas." Here is a sample of what the critics are saying:

Henry Hazlitt, Newsweek, June 26, 1961: "Since the end of World War II our foreign aid of all sorts has reached the fantastic total of $90 billion. Yet the Kennedy administration not only wishes to increase foreign aid substantially but to avoid the necessity for annual congressional approval by authority to borrow $7.3 billion for it over the next 5 years."

The Chicago Daily News lead editorial, July 13, 1961, entitled, "$100 Billion Later": "* * * after nearly $100 billion in foreign aid expenditures, there is slight evidence that we have brought the benefits of democracy, freedom, and a better life to any except those who either already had them or at least had the basic know-how to get them."

John C. Sparks, a Canton, Ohio, businessman, in the July 1961 issue of the Freeman, published by the Foundation for Economic Education, Inc.: "Shortly after World War II the Government of the United States imposed upon itself the task of saving the world from poverty and illiteracy—thus, proposing to stop the progression of communism over the globe. But 16 years and expenditures of $100 billion have not accomplished that goal."

Two questions are raised by such statements. First, exactly how much have we spent on foreign aid, and second, how much of this is pertinent to the present debate which is on promoting the economic development of less developed countries.

The Office of Business Economics, U.S. Department of Commerce, has been keeping records of "Foreign grants and credits" since July 1, 1940, and then publishing them quarterly. In the March 1961 report, "Table IA—Summary of major U.S. foreign assistance, postwar period July 1, 1945, through March 31, 1961," reveals a total of $83,943 million. This figure, which is pertinent to our balance of payments, has very little relevance to the present foreign-aid bill, and there is certainly no basis for casually adding another $6 to $16 billion.

There is, however, some justification for the confusion. While the name of the above report, which was originally called "Foreign Transactions of the U.S. Government," has only been changed once, the title of the summary table has been changed successively as follows:

In 1940: "Summary of Foreign Grants and Credits."

In 1952: "Summary of Foreign Aid (Grants and Credits) War and Postwar."

In 1954: "Summary of Foreign Aid (Grants and Credits) Postwar."

In 1960: "Summary of Major U.S. Foreign Assistance—Postwar."

While the title of the table has changed, the items which make up the balance-of-payments summary have not, and an examination of them shows that only a very small fraction of the $84 billion of what is now called foreign assistance has any relation to the present strategic concept of foreign aid to promote the economic development of less developed areas. This can be revealed by a breakdown by periods.

Period	Purpose	Amount
The war years (July 1, 1940, to June 30, 1945).	Almost exclusively lend-lease (not included in total since 1954).	$48,546,000,000
Post-war relief (July 1, 1945, to Mar. 30, 1948).	To the relief and rehabilitation of countries devastated by war and to the reestablishment of international economic relationships. Credits constituted slightly more than half of this postwar assistance.	16,300,000,000
European recovery program (Apr. 1, 1948, to Dec. 31, 1951).	Replacing working capital and revitalizing the highly developed European economy. Grants, $10,237,000,000; credits, $1,153,000,000. Carryovers brought the final total to about $12,500,000,000.	11,390,000,000
Mutual security programs since Jan. 1, 1952. (ICA report of obligations and commitments.)	The name of the agency administering foreign aid was changed in 1952 from Economic Cooperation Administration to Mutual Security Agency, reflecting a change in direction from the developed European nations to the less-developed nations and a change in emphasis from economic to military aid.	39,778,000,000
Balance miscellaneous	Lend-lease carryover, International Monetary Fund, Export-Import loans, civilian relief in Korea, Public Law 480, etc.	16,475,000,000
Total		83,943,000,000

It is obvious that the first three items concern almost exclusively expenditures related to World War II and European recovery and reconstruction and can be checked off as having been eminently successful in accomplishing their purpose.

Mutual security aid is broken down as between "military" and "economic" but economic aid is not separated to distinguish between economic development and support of military programs. To get a breakdown and be able to determine how much has been devoted to economic development of the less developed countries, it is necessary to examine the annual appropriations by Congress. This causes some discrepancy in figures.

Mutual security appropriations

[In millions of dollars]

Fiscal year	Military assistance and defense support	Total development assistance and loans	Administration, international agencies and miscellaneous	Total appropriations
1953	5,880	522	44	6,447
1954	4,123	329	79	4,531
1955	2,789	332	123	3,252
1956	2,472	354	459	3,285
1957	3,178	402	185	3,766
1958	2,029	638	101	2,768
1959	2,265	750	283	3,298
1960	1,995	976	254	3,225
1961	2,410	962	350	3,722
Total	27,141	5,265	1,878	34,294

Thus it appears that mutual security and development loan fund appropriations for economic development of the less-developed countries in the 9 years since the start of the program have amounted to only $5,265 million, not $100 billion. To this can be added a small fraction that cannot be readily determined of the $6.1 of Public Law 480 farm products disposal other than that used for alleviation of famine, emergency relief, and defense support.

By comparison: During the last 9 years for which figures are currently available (1951–59 inclusive) from the Office of Business Economics, Department of Commerce, the gross private domestic investment in the United States was $522,004 million, which comprises new construction and producers' durable equipment. What we have given or loaned to the less-developed countries, therefore, to help raise their economic level in 9 years is only 1 percent of what we spent to maintain ours.

Considering that the United States has only 6 percent of the world's population and that the less-developed nations have 50 percent of the world's population, the amount we have given or invested to raise the economic level of the people in the less-developed nations on a per capita basis is one-eighth of 1 percent of what we have spent to maintain our own.

It would not appear, therefore, that the underprivileged masses in the underdeveloped world are going to experience any spectacular increase in their economic well-being as a result of the munificence of the U.S. foreign aid program at its present level.

INVESTIGATION OF RULES OF NATIONAL SECURITIES EXCHANGES AND ASSOCIATIONS

Mr. WILLIAMS of New Jersey. Madam President, I ask that the Chair lay before the Senate House Joint Resolution 438.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair) laid before the Senate the joint resolution (H.J. Res. 438), to amend the Securities Exchange Act of 1934 so as to authorize and direct the Securities and Exchange Commission to conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. WILLIAMS of New Jersey. Madam President, the Committee on Banking and Currency authorized the chairman, the Senator from Virginia [Mr. ROBERTSON], by unanimous vote to waive the referral of House Joint Resolution 438 to this committee and to request that it be given immediate consideration on the floor.

House Joint Resolution 438 would authorize $750,000 for the Securities and Exchange Commission to make a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations.

Few things are more important to the growth of American industry than the flow of capital through its markets. At all costs, investor confidence in these markets must be maintained. With this in mind, I have expressed my support on several occasions of a broad study and investigation of the securities industry.

The words "study and investigation" as they are expressed in the resolution—and the order in which they appear—are very significant. Their usage indicates that the Securities and Exchange Commission would be authorized not only to search for abuses in present laws and regulations but also, through a comprehensive study to accumulate the facts and professional opinions which would serve as a firm basis for future legislation designed to offer the investor more substantial protection.

Mr. William F. Cary, Chairman of the Securities and Exchange Commission, has expressed a need for a study of this kind.

In testifying this year before the House Subcommittee on Commerce and Finance, Mr. Cary noted the following developments:

The average daily volume of stocks traded on the New York Stock Exchange thus far in 1961 more than doubles the volume traded on that exchange in 1950. The number of salesmen registered at present with the National Association of Security Dealers more than triples the number of salesmen registered in 1950. Public participation in the market doubled between 1952 and 1959. Such growth factors, coupled with the many changes in the methods of distributing and selling securities, indicate that the stock market of 1961 is not the same market which the Securities Act of 1933 and the Securities Exchange Act of 1934 were designed to regulate. A comprehensive study is, therefore, necessary to determine what laws and regulations would be required to give today's market adequate supervision.

Areas which Mr. Cary has indicated that the Commission would explore include not only the rules of national securities exchanges and associations but also the mutual fund industry, the over-the-counter market, and margin requirement provisions. It is intended that this study and investigation be wide in scope; otherwise the resulting information will not enable Congress to examine the broad spectrum of the securities industry.

I want to emphasize that the Banking and Currency Committee and the Securities Subcommittee, of which I am chairman, fully intend to meet our responsibilities under the Legislative Reorganization Act of 1946 by exercising "continuous watchfulness" over the course of this study and investigation. On behalf of the Commission, Mr. Cary has indicated not only a willingness but a desire to work closely with the Banking and Currency Committee and its staff.

In closing, I would like to say that House Joint Resolution 438 has received the unanimous approval of the House Interstate and Foreign Commerce Committee and the Senate Banking and Currency Committee. At no time during the hearings before the House Subcommittee on Commerce and Finance did witnesses from any source indicate disapproval of the aims of the resolution or an unwillingness to cooperate.

Therefore, I hope the Senate will give House Joint Resolution 438 favorable consideration at this time.

Mr. JAVITS. Madam President, today the Senate has been legislating at a rapid pace—perhaps an indication that there is a possibility that the date of sine die adjournment is not too far in the offing. However, we have been dealing with many very important matters, and certainly this one is in that category.

When this matter came before the committee and it was decided that it could be acted upon without being referred to the Banking and Currency Committee, it was clear that the taking of great care in the handling of this matter is of the utmost importance.

The chairman of the committee was kind enough to ask that I make this statement here on the Senate floor, in a sense speaking for the minority, and perhaps thus give the statement more force than if I were on the majority side. He asked that I state that the committee recognizes the grave dangers involved in an investigation of this character. This matter deals with the money, the credit, and the basic economic structure of the Nation, in terms of the ownership of securities which represent the major part of our wealth and our productive power. Great confidence in the securities system and in the companies which are so essential to our production could be destroyed and billions of dollars of security values, which depend upon the maintenance of that confidence, could be lost if improper procedures were followed.

The great progress which has been made in the ownership of securities in our country—it is estimated that there are now somewhere between 12 million and 15 million security owners in the United States—could be jeopardized by an improvident investigation. I believe it is generally hoped that there will be even more widespread security ownership; and it is the purpose to have the investigation handled in such a way that even greater confidence will be inspired, so as to help broaden the ownership base of such securities. So the chairman of the committee wished emphasis to be placed on our desire to make sure that the Securities and Exchange Commission investigation will not result in a situation destructive of those values or that confidence. Of course, we desire to have anything that is wrong unearthed; but it is our fervent and definite desire that no harm be done to the fundamental, most important values at stake. Furthermore, the committee intends to assign one of its staff members to be constantly in touch with the investigation, so that at all times we shall be advised of the character and the progress of the investigation, and also so that the committee members may determine whether in their opinion the investigation is being conducted wisely and properly or unwisely or improperly, and so that at least the committee members may have an opportunity to have knowledge of that matter, and, through the exercise of legislative oversight, may make sure that the investigation is a constructive one.

Of course, any wrongdoers or rascals must be found, and all necessary corrections must be made. I may say that as a result of my experience during the period of time when I served as attorney general of New York, I came to know the importance of finding any wrongdoers; but I also came to realize the importance of treating such investigations with both judiciousness and vigor.

That duty and that responsibility are being presented to the Securities and Exchange Commission; and the chairman of our committee was so gracious as to ask me to make this statement at this time, and also to state that the committee intends to do its duty in order to make sure that no injustice or improvidence results from the way in which the investigation is handled, and to make sure that it is handled constructively.

Knowing Professor Cary as I do—he is now Chairman of the Securities and Exchange Commission; and I had opportunity to learn much about him before his nomination was confirmed; he is a fellow New Yorker—I have every confidence that he will see to it that precisely what we desire does occur.

Mr. WILLIAMS of New Jersey. Madam President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. WILLIAMS of New Jersey. I am glad the last point has been made. I agree with the Senator from New York that we have every confidence that the new Chairman of the Commission is of judicious temperament and will undertake both a study and an investigation that will be fair and will not be destructive of the values which are of such great importance. I would like to emphasize our confidence in Senator Frear, our former colleague, and other Commissioners.

Mr. JAVITS. I, too, am certain of that; I am sure that will be the case.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution (H.J. Res. 438) was ordered to a third reading, read the third time, and passed.

PROVISION FOR SUPPLEMENTAL AIR CARRIERS

Mr. MANSFIELD. Madam President, I move that the Senate proceed to the consideration of Calendar No. 664, Senate bill 1969. I desire to have the bill made the pending business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1969) to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes, which had been reported from the Committee on Commerce, with an amendment, to strike out all after the enacting clause and insert:

That (a) section 101 of the Federal Aviation Act of August 23, 1958, as amended, is amended by redesignating paragraphs (13) through (31) as (14) through (32) and inserting therein a new paragraph to read as follows:

"(13) 'Charter service' means air transportation performed by an air carrier holding a certificate of public convenience and necessity where the entire capacity of one or more aircraft has been engaged for the movement of persons and their baggage or for the movement of property on a time, mileage, or trip basis, but shall not include transportation services offered by an air carrier to individual members of the general public or performed by an air carrier under an arrangement with any person who provides or offers to provide transportation services to individual members of the general public, other than as a member of a group on an all-expense-paid tour."

(b) Section 101 of the Federal Aviation Act, as amended, is further amended by redesignating paragraphs (32) and (33) as (35) and (36), respectively, and inserting therein two new paragraphs to read as follows:

"(33) 'Supplemental air carrier' means an air carrier holding a certificate of public convenience and necessity authorizing it to engage in supplemental air transportation.

"(34) 'Supplemental air transportation' means charter service and other air transportation rendered pursuant to a certificate of public convenience and necessity issued pursuant to section 401(d)(3) of this Act to supplement the service authorized by certificates of public convenience and necessity issued pursuant to sections 401(d) (1) and (2) of this Act."

SEC. 2. Section 401 of the Federal Aviation Act is amended by adding to subsection (d) thereof a new paragraph (3) to read as follows:

"(3)(1) In the case of an application for a certificate to engage in air transportation as a supplemental air carrier, the Board may issue a certificate, to any applicant not holding a certificate under paragraphs (1) or (2) of this subsection, authorizing the whole or any part of the transportation covered by the application, and for such period, as may be required by the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder. In determining whether an applicant for such a certificate is fit, willing, and able within the meaning of this paragraph the Board shall give consideration to the conditions peculiar to the type of supplemental air transportation for which authority is sought, including the nature of the public need therefor and the extent to which the applicant will be required to provide such air transportation.

"(ii) Any certificate issued pursuant to this paragraph authorizing individually ticketed or waybilled service shall contain such limitations, including the term thereof, as the Board finds are required to insure that such service will not result in significant diversion of traffic from any air carrier authorized to render service between the same points by a certificate or certificates of public convenience and necessity issued pursuant to paragraphs (1) and (2) of this subsection."

SEC. 3. Subsection (e) of section 401 of the Federal Aviation Act is amended to read as follows:

"TERMS AND CONDITIONS OF CERTIFICATE

"(e) (1) Each certificate issued under this section shall specify the terminal points and intermediate points, if any, between which the air carrier is authorized to engage in air transportation and the service to be rendered; and there shall be attached to the exercise of the privileges granted by the certificate, or amendment thereto, such reasonable terms, conditions, and limitations as the public interest may require.

"(2) A certificate issued under this section to engage in foreign air transportation shall, insofar as the operation is to take place without the United States, designate the terminal and intermediate points only insofar as the Board shall deem practicable, and otherwise shall designate only the general route or routes to be followed. Any air carrier holding a certificate for foreign air transportation shall be authorized to handle and transport mail of countries other than the United States.

"(3) A certificate issued under this section to engage in supplemental air transportation shall, with respect to charter service, designate the terminal and intermediate points only insofar as the Board shall deem practicable and may designate only the geographical area or areas within or between which service may be rendered.

"(4) No term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules, equipment, accommodations, and facilities for performing the authorized transportation and service as the development of the business and the demands of the public shall require; except that the Board may impose such terms, conditions, or limitations in a certificate for supplemental air transportation when required by subsection (d) (3) (ii) of this section.

"(5) No air carrier shall be deemed to have violated any term, condition, or limitation of its certificate by landing or taking off during an emergency at a point not named in its certificate or by operating in an emergency, under regulations which may be prescribed by the Board, between terminal and intermediate points other than those specified in its certificate.

"(6) Any air carrier, other than a supplemental air carrier, may perform charter service or any other special service, without regard to the points named in its certificate, under regulations prescribed by the Board."

SEC. 4. Clause (3) of section 406(b) of the Federal Aviation Act is amended by inserting after "each such air carrier" the words "(other than a supplemental air carrier)".

SEC. 5. Title IV of the Federal Aviation Act is amended by adding at the end thereof a new section to read as follows:

"SPECIAL OPERATING AUTHORIZATIONS

"Authority of Board to issue

"SEC. 417. (a) If the Board finds upon an investigation conducted on its own initiative or upon request of an air carrier—

"(1) that the capacity for air transportation being offered by the holder of a certificate of public convenience and necessity between particular points in the United States is, or will be, temporarily insufficient to meet the requirements of the public or the postal service; or

"(2) that there is a temporary requirement for air transportation between two points one or both of which is not regularly served by any air carrier; and

"(3) that any supplemental air carrier can provide the additional service temporarily required in the public interest;

the Board may issue to such supplemental carrier a special operating authorization to engage in air transportation between such points.

"Terms of authorization

"(b) A special operating authorization issued hereunder shall—

"(1) contain such limitations or requirements as to frequency of service, size or type of equipment, or otherwise, as will assure that the service so authorized will alleviate the insufficiency which would otherwise exist, without significant diversion of traffic from the holders of certificates for the route;

"(2) be valid for not more than thirty days and extended not more than twice; and

"(3) not be deemed a license within the meaning of the Administrative Procedure Act (5 U.S.C. 1001, et seq., as amended).

"Procedure

"(c) The Board shall by regulation establish procedures for the expeditious investigation and determination of requests for such special operating authorizations. Such procedures shall include written notice to air carriers certificated to provide service between the points involved, and shall provide for such opportunity to protest the application in writing, and at the Board's discretion to be heard orally in support of such protest, as will not unduly delay issuance of such special operating authorization, taking into account the degree of emergency involved."

SEC. 6. Section 901(a) of the Federal Aviation Act of 1958 is amended to read as follows:

"CIVIL PENALTIES

"Safety, economic, and postal offenses

"SEC. 901. (a) (1) Any person who violates (A) any provision of title III, IV, V, VI, VII, or XII of this Act, or any rule, regulation, or order issued thereunder or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, or (B) any rule or regulation issued by the Postmaster General under this Act, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. In the case of a violation of a provision of title IV or VII or any rule, regulation, or order issued thereunder, or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, if such violation is a continuing one, each day of such violation shall constitute a separate offense: *Provided*, That this subsection shall not apply to members of the Armed Forces of the United States, or those civilian employees of the Department of Defense who are subject to the provisions of the Uniform Code of Military Justice, while engaged in the performance of their official duties; and the appropriate military authorities shall be responsible for taking any necessary disciplinary action with respect thereto and for making to the Administrator or Board, as appropriate, a timely report of any such action taken.

"(2) Any such civil penalty may be compromised by the Administrator in the case of violations of title III, V, VI, or XII, or any rule, regulation, or order issued thereunder, and by the Board in the case of violations of titles IV and VII, or any rule, regulation, or order issued thereunder, or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, or the Postmaster General in the case of regulations issued by him. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged."

SEC. 7. (a) If any applicant who makes application under section 401(d) (3) of the Federal Aviation Act for a certificate for supplemental air transportation within thirty days after the date of enactment of this Act shall show—

(1) that it, or its predecessor in interest, was an air carrier authorized to furnish service between places within the United States either by a certificate of public convenience and necessity issued by the Civil Aeronautics Board pursuant to order E-13436, adopted January 28, 1959, or order E-14196, adopted July 8, 1959, or that it was given interim authority to operate in interstate air transportation as a supplemental air carrier under Board order E-9744 of November 15, 1955, and has pending before the Board an application for certification as a supplemental air carrier which was filed prior to July 14, 1960;

(2) that between January 1, 1960, and May 25, 1961, the applicant or his predecessor in interest lawfully performed either (A) any portion of the service authorized by the certificate or interim operating authority, or (B) any operations for the Military Establishment of the United States;

(3) that such certificate or interim operating authority had not been revoked or otherwise terminated by the Board or had not otherwise expired prior to the enactment of this Act: *Provided*, That for the purposes of this section such certificate or operating authority shall be considered to have been revoked or terminated if the Board has issued a final order to that effect, notwithstanding a pending judicial review of such order; and

(4) that such certificate or interim operating authority is held by the original grantee or has been transferred with Board approval pursuant to section 401(h) of the Federal Aviation Act: *Provided*, That application under this paragraph may also be made by a person who on the date of enactment hereof had on file an application to the Board for the approval of transfer to him of a certificate for supplemental air transportation or interim operating authority, in which case the Board shall extend the authority hereunder if it approves the transfer pursuant to section 401(h) of such Act;

the Board, upon proof of such facts, shall issue new interim authority to such applicant to engage in supplemental air transportation to the same extent authorized in the applicant's certificate or interim authority and subject to the terms, conditions, and limitations attached thereto pending issuance or denial of a certificate pursuant to section 401(d) (3) of such Act authorizing the whole or any part of the transportation covered by the application.

(b) If any applicant who makes application under section 401(d) (3) of the Federal Aviation Act for a certificate for supplemental air transportation within 30 days after the date of enactment of this Act shall show that it or its predecessor has received interim operating authority from the Board pursuant to section 1(2) of Public Law 86-661 of July 14, 1960 (74 Stat. 527), the Board, upon proof of such facts, shall issue new interim authority to such applicant to engage in supplemental air transportation to the same extent authorized in the applicant's interim authority and subject to the terms, conditions, and limitations attached thereto pending issuance or denial of a certificate pursuant to section 401(d)(3) of such Act authorizing the whole or any part of the transportation covered by the application.

SEC. 8. (a) If any air carrier, or its predecessor in interest, was an air carrier authorized to furnish service between places within the United States either by a certificate of public convenience and necessity issued by the Civil Aeronautics Board pursuant to order E-13436, adopted January 28, 1959, or order E-14196, adopted July 8, 1959, or it or its predecessor received interim operating authority from the Board pursuant to section 1(2) of Public Law 86-661 of July 14, 1960 (74 Stat. 527), it may perform operations under its existing authority for thirty days from the date of enactment of this Act, and if it has filed application pursuant to section 401(d)(3) of the Federal Aviation Act within said thirty days, until the Board has granted or denied interim authority under section 7 of this Act. Any air carrier whose application for certification as a supplemental air carrier is pending before the Board and which (A) has operated in interstate air transportation as a supplemental air carrier pursuant to authority granted under Board order E-9744 of November 15, 1955, and (B) had such application for a certificate as a supplemental air carrier pending before the Board on July 14, 1960, may continue to operate in interstate air transportation under its existing authority for thirty days from the date of enactment of the Act, and if it has filed application pursuant to section 401(d)(3) of the Federal Aviation Act within said thirty days, until the Board has granted or denied interim authority under section 7 of this Act. The certificates of public convenience and necessity issued by the Board pursuant to order E-13436 adopted January 28, 1959, and order E-14196, adopted July 8, 1959, and the interim operating authority issued by the Board pursuant to section 1(2) of Public Law 86-661 of July 14, 1960 (74 Stat. 527), and the exemption authority issued by the Board under order E-9744 of November 15, 1955, and prior authority under individual exemptions or Letters of Registration reinstated by the Board under order E-10161 of April 3, 1956, shall terminate on the date of an order of the Board granting or denying interim authority under section 7 of this Act, or if the carrier files no application under section 401(d)(3) within 30 days from the date of enactment of this Act, at the end of said 30-day period. Any carrier whose operating authority in interstate air transportation under Board order E-9744 is continuing solely by virtue of a judicial stay of a Board order which would otherwise terminate such operating authority, is hereby authorized to continue to operate, subject to all conditions and limitations contained in order E-9744 or imposed by the court, until the court shall lift such stay or until the final disposition of judicial review proceeding, whichever shall first occur.

(b) The provisions of this Act shall in no way affect any enforcement or compliance proceeding or action against the holder of a certificate of public convenience and necessity issued pursuant to order E-13436 or order E-14196 or against the holder of interim authority issued under section 1(1) of Public Law 86-661 pending before the Board on the date of enactment of Public Law 86-661 or this Act, or the power of the Board to institute any enforcement or compliance action against such holder subsequent to the date of enactment of this Act with respect to violations of the Federal Aviation Act or provisions of the certificate or interim authority or the Board's regulations which may have occurred prior to such date. Any sanction which the Board might lawfully have imposed on the operating authority of an air carrier for violations occurring prior to the extension of its authority under section 7 or the issuance to such carrier of a certificate of public convenience and necessity for supplemental air transportation under section 401(d)(3) of the Federal Aviation Act may be imposed upon such extension of authority or certificate issued to such air carrier.

(c) Any application of an air carrier heretofore consolidated into the Board proceeding known as the Large Irregular Air Carrier Investigation, Docket Numbered 5132 et al., shall be deemed to have been finally disposed of upon the date of enactment of this Act.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Madam President, for the information of the Senate, I wish to state the very tentative schedule of measures to be considered by the Senate following its consideration of Calendar No. 664, Senate bill 1969, which has now been laid before the Senate.

The schedule is as follows: Following Calendar No. 664, Senate bill 1969, the next measure will be Calendar No. 681, House bill 7391, to promote the conservation of migratory waterfowl; Calendar No. 610, Senate bill 174, the wilderness bill; Calendar No. 629, Senate bill 1703, amending the Federal Airport Act; Calendar No. 624, Senate bill 543, preserving the U.S. shorelines; Calendar No. 557, House bill 2244, relating to the deduction for income tax purposes of contributions to certain charitable organizations; and Calendar No. 727, Senate Joint Resolution 51, relating to the Woodrow Wilson Memorial.

Following that, I assume that the merchant marine bills, which have been held up because of requests on both sides, will be taken up.

The Mexican labor bill may come up early next week. It is Calendar No. 592, House bill 2010.

Mr. JAVITS. Madam President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I do not expect to be present on Monday. Does the Senator from Montana believe that Calendar No. 592, House bill 2010, the Mexican labor bill, so-called, will come before the Senate on Monday?

Mr. MANSFIELD. I cannot give the Senator from New York any assurance in that respect. I have given him assurance in regard to the airport bill; but he will have to take his chances in regard to the Mexican labor bill. I cannot give him any assurance regarding it. I am sure he understands the situation.

Mr. JAVITS. I understand.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate concludes its business today, it adjourn to meet at 12 o'clock noon Monday next.

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

ORDER FOR CALL OF CALENDAR ON TUESDAY NEXT

Mr. MANSFIELD. Madam President, I ask unanimous consent that at the conclusion of morning business on Tuesday next, it will be in order to call up items on the calendar to which there is no objection, starting with Order No. 740, Senate bill 724.

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

THE AMERICAN PATENT SYSTEM

Mr. HRUSKA. Madam President, as a member of the Senate Antitrust Subcommittee, I was particularly interested in an editorial which appeared in the Wall Street Journal, August 23, 1961, and which has previously been inserted in the RECORD. The subject matter dealt with concerns the patent provisions contained in the drug bill now before our committee, which would cut down the historic patent period of 17 years to a maximum of 3 years, with compulsory licensing to competing pharmaceutical firms for manufacture of the product. The bill would also require the holder of the patent to reveal all the know-how and technical information gathered in the course of their research.

The editorial, from which I quote, commented on the recent indictment of three pharmaceutical firms which alleged conspiracy among them to eliminate competition in the selling of certain antibiotics. Whether or not the allegation is true is a matter that must await court action and the evidence presented therein:

> But a good part of the Justice Department's statement is devoted to a broader question. The charge is that up to 1955, when tetracycline was patented, Cyanamid's Aureomycin and Pfizer's Terramycin dominated broad-spectrum antibiotic sales, accounting for 92 percent of all sales in 1953. In short, the charge here is not of conspiracy but of the monopoly situation.
>
> That there was for a time a monopoly situation seems rather indisputable; indeed for 1 year (1949-50) Cyanamid held an absolute monopoly since it briefly had the only patent on a broad-spectrum antibiotic. But this was a monopoly created by the patent system itself.
>
> The patent system, which is imbedded in the Constitution, provides that the holder of a patent on a new thing shall have the exclusive rights to that invention for a period of years. It was adopted not to give privileges of profit to a few but for the very practical reason that it thus encouraged men to spend much time, money, and effort in inventing new things, and it prevented others from getting a free ride on the successful efforts of the inventors.

A patent is a monopoly—a beneficial monopoly. It stimulates the desire, the quest for knowledge, by guaranteeing to the inventor an exclusive right for a limited time to the fruits of his labor. Would our pharmaceutical companies expend the millions of dollars they do each year on research and development if they had to share their discoveries with competing firms? What would happen to the medium- and small-sized companies who are in existence solely because they hold one or two patents if they had to give their valuable property to competition? Quoting from the article:

In the case of the drug industry the attack on the patent system has a particularly emotion-packed argument. Why, so we are told, should a company discovering a new miracle drug be allowed to profit from a monopoly? Once an Aureomycin or a Terramycin is discovered, would it not be better public policy to let all the drug companies make it, increasing competition and lowering the price faster? Why should one or two companies get rich on human misery?

This is an argument not without its appeal. But before either the courts or the public accepts it, we think a little reflection is in order.

We don't know how much money Cyanamid spent to develop Aureomycin, or how much Pfizer spent to develop Terramycin to compete with it. But would Cyanamid have spent any, if it knew in advance that it would have to let every other company, which spent nothing, get a free ride on Cyanamid's research efforts? Or if Pfizer from the beginning could have made and sold Aureomycin would it have spent time and money to develop a different broad-spectrum antibiotic to compete with Aureomycin?

Madam President, the basis for our patent system is found in article I of the Constitution and was initiated with the passage of the first patent law in 1790. On September 12, the U.S. Patent Office expects to issue its 3 millionth patent. Almost every 10 minutes someone in this country develops an idea that is patentable. Some of them are putterers in the basement; some are nuclear physicists or missile experts in elaborate laboratories. Without question, the search for knowledge and the drive for financial success is a most powerful partnership in creating for everyone better means of living and bringing about a greater enjoyment of life.

Now we are confronted with legislation which in the judgment of the Senator from Nebraska would do irreparable harm to ourselves and to the American system of free enterprise.

The bill pending before us is not designed to correct or improve the patent system; as designed it would destroy that system.

Abraham Lincoln, who himself held a patent issued in 1849, said "the patent system added the fuel of interest to the spark of genius." Thomas Jefferson, as Secretary of State, said the patent law had "given a spring to invention beyond my conception." These two observations by two of our great Americans have withstood the test of time. Their truth has been proved.

Some of the dangers of this legislation has also been analyzed in an editorial appearing in the Saturday Evening Post of August 26. I ask unanimous consent that this editorial be placed in the RECORD following my remarks.

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

THE AMERICAN PATENT SYSTEM IS THE BASIS FOR OUR INDUSTRIAL GROWTH AND PROGRESS

If Abraham Lincoln was right in believing that "the patent system added the fuel of interest to the spark of genius," it is difficult to understand why so many politicians want to tamper with it. Senator ESTES KEFAUVER, for example, is sponsoring a bill which would cut down the exclusive use of a drug patent by its owner from the 17 years in the present law to a maximum of 3. When the 3 years are up, the Senator's bill would compel a company with a new prescription drug to license its manufacture by any competitor who applied.

Actually licenses to manufacture prescription drugs are commonplace under the present law, but the owner of the patent is free to choose the licensee and stipulate the conditions under which the privilege to make the product is granted. Moreover, the courts have compelled holders of patents in other industries to license others to use them when it appeared that the owner of the patent was abusing his privilege.

As to competition, the industry asks with considerable plausibility what would happen to the effort to produce more effective medicines and drugs if a drug manufacturer need only copy a successful drug invented by a competitor, instead of spending his own money on research in the hope of making a better product? Another question is: How much money would a drug manufacturer spend on research if he knew in advance that his exclusive right to the product of his investment had been cut so drastically that he would have no chance to "get his nut back"?

The attack on risk takers is by no means confined to the Kefauver bill or the drug industry. Our defense industries are in a perpetual state of revolt against Government departments which insist that a contract to deliver, say, valves for use in airplane engines must be accompanied by drawings and other data which indicate how the gadget was made. Such information is described in patent law as a "proprietary right" because it is an essential protection against patent infringement. Anybody who buys a valve and takes it apart can learn a lot about it—but not necessarily how to make it under conditions assuring a profit. According to one patent expert, the Department of Defense obtains from all contractors "complete and detailed information on the manufacturing process of everything it buys and then redistributes these valuable data to those who do not have it under the guise of competitive bidding."

This is obviously an ex parte charge; and the Defense Department's reply to it would be that it needs the drawings for use in repairing the equipment purchased, that in some cases the product could be made without this "proprietary" information anyway, and that information on products which were developed at public expense should be available to everybody. Industry takes no serious exception to handing over its secrets for such reasons, but it does object when its information is passed along indiscriminately to competitors under the guise of aid to small business. It is a complicated subject, but it would not be complicated if the departments actually stuck by the principles laid down in a Defense Department directive that "it is the policy of the Department of Defense to encourage inventiveness and to provide incentive therefore by honoring 'proprietary data' resulting from private developments and hence to limit demands for data to that which is essential for Government purposes."

Representative EMILIO Q. DADDARIO, of Connecticut, in a recent address reported that the National Aeronautics and Space Administration, whose requirements in this field are onerous, had difficulty in obtaining the best research for lowest cost and in the shortest time. Mr. DADDARIO, a member of the Committee on Science and Astronautics, added, "We actually found some instances in which the contractors refused to take NASA contracts, but far more important was the obvious fact that contractors who are required to surrender commercial rights to their inventions just do not give NASA their best efforts."

The committee declared that industrialists are "responsible under the private enterprise system for operating a profitable business, yet if they decline Government business because it is unprofitable, they become vulnerable to charges of lack of patriotism. American industry should not be placed in this awkward, often injurious, position."

That seems to us pretty close to an important general truth, whether the product is a tranquilizer or a carburetor.

ADJOURNMENT TO MONDAY

Mr. HRUSKA. Madam President, pursuant to the order previously entered, I move that the Senate stand in adjournment until noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 14 minutes p.m.), under the previous order, the Senate adjourned until Monday, August 28, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate August 25, 1961:

U.S. DISTRICT JUDGE

THADDEUS M. MACHROWICZ, of Michigan, to be U.S. district judge for the eastern district of Michigan, vice Frank A. Picard, retired.

DISTRICT OF COLUMBIA MUNICIPAL COURT

Mary C. Barlow, of the District of Columbia, to be associate judge of the municipal court for the District of Columbia for a term of 10 years. She is now serving in this office under an appointment which expired March 2, 1960.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 25, 1961:

U.S. NAVY

The following-named officer for temporary promotion to the rank indicated while serving as Technical Director, Special Projects Office, Department of the Navy:

To be rear admiral

Capt. Levering Smith [redacted] U.S. Navy.

The following-named officers of the staff corps of the Navy, as indicated, for temporary promotion to the grade indicated, subject to qualifications therefor as provided by law.

MEDICAL CORPS

To be rear admiral

Robert B. Brown

SUPPLY CORPS

To be rear admirals

Emory D. Stanley, Jr.
Stephen Sherwood

CIVIL ENGINEER CORPS

To be rear admiral

Lewis C. Coxe

IN THE AIR FORCE

The nominations beginning William H. Carnahan, to be captain, and ending James H. Woodward, Jr., to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on August 8, 1961.

IN THE NAVY AND MARINE CORPS

The nominations beginning Marvin M. Aldrich, to be chief warrant officer, W-2, in the Navy, and ending David V. Wood, to be first lieutenant in the Marine Corps, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on August 10, 1961.

IN THE NAVY

The nominations beginning Newton W. Allebach, to be captain, and ending William L. McMichael, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on August 10, 1961.

EXTENSIONS OF REMARKS

International Institute of Science and Technology in Western Europe

EXTENSION OF REMARKS

OF

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, August 25, 1961

Mr. JACKSON. Mr. President, I had the honor to submit to the NATO Parliamentarians Conference in Paris last fall a proposal for an International Institute of Science and Technology in Western Europe—an "MIT of Western Europe" to help assure the continuing scientific preeminence of the NATO community.

Supported by the Parliamentarians Conference, and subsequently considered by the NATO Council, the proposal is now being studied in detail by a NATO committee under the chairmanship of James R. Killian, president of MIT.

In view of the serious study being given to the possible establishment of an International Institute of Science and Technology I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of last fall's recommendation.

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

NATO SCIENCE PROGRAM: FORWARD PLANNING

(Report by Senator HENRY M. JACKSON, United States of America, Chairman to the Scientific and Technical Committee of the NATO Parliamentarians Conference, 6th annual conference, NATO headquarters, Paris, Nov. 21–26, 1960)

The Atlantic world is the birthplace of modern science, and most of the great advances in the forward march of science have occurred in the Atlantic world, either in Europe or North America.

It is the scientific leadership of our Atlantic community which has enabled it to achieve the world's highest standard of living. It is the same leadership which has enabled us to build the armaments needed to deter those who would destroy our way of life.

A continued flourishing of science and technology in our community is needed to maintain our dynamic economic growth. It is needed equally if we are successfully to withstand the across-the-board Soviet challenge to our community, a challenge which may persist for 25 or 50 years in the future.

And today, we find yet another reason why we must not surrender the scientific preeminence of our community. One-third of the world—populated by the billion people who live in the underdeveloped nations—is now in ferment and turmoil. These peoples are bent upon reaping the harvest of scientific advance, in the form of industrial progress, greater agricultural productivity, lower mortality rates, and longer and richer lives. They are not content with the timetables of gradualism. They urgently need scientific and technical help, and they need it now. If they cannot secure it from our community, they will turn for assistance to Moscow or Peiping.

A full year before the first sputnik, this Conference warned the member states of NATO that our continued scientific supremacy was not preordained. It established a Science and Technical Committee charged with the task of seeking ways and means to invigorate the study and practice of science within our community.

Subsequent reports of the Science and Technical Committee, all of which were unanimously adopted by the Parliamentarians Conference, made detailed and wide-ranging recommendations for improving the state of science within the Atlantic community, both through national programs and through cooperative international action. During this period, the member states of NATO have with few exceptions undertaken vigorous programs to accelerate the training and education of scientists and engineers and to put scientific and technical talent to better use.

Initiatives taken by this Conference, upon the recommendation of its Science and Technical Committee, have been directly responsible for NATO-wide efforts to reinforce and supplement national scientific programs.

Specifically, this Conference took the lead in establishing the NATO science fellowship program, the NATO advanced study institute program, and a NATO research program.

The NATO Science Adviser and the NATO Science Advisory Committee are now assisting the NATO Council in developing communitywide programs for the improvement of science.

In short, the NATO science program is now a going concern. It works; it is producing results; it is engaged in imaginative forward planning across a broad front.

Late last year the NATO Science Advisory Committee suggested that outstanding scientists from our community undertake a study in depth of the ways whereby science in the Western World could be strengthened. The members of this study group, which was headed by M. Louis Armand, worked at this task long and hard and well. A few weeks ago their findings and recommendations were incorporated in a report entitled "Increasing the Effectiveness of Western Science." This report makes numerous eminently practical and desirable suggestions for invigorating science within the Western World. It merits the careful study of every member of this Conference.

One suggestion in the study deserves particularly close attention. This concerns the possibility of establishing in Western Europe an International Institute of Science and Technology.

In the New World, educational institutes like the Massachusetts Institute of Technology and the California Institute of Technology have played a central role in promoting scientific and technical development. They bridge the crucial gap between pure science and applied technology. They bring large aggregations of scholarly talent to bear upon cross-disciplinary problems. They do outstanding work in training graduate students.

Western Europe now has no comparable institutions. Nor is it clear whether any one European country, acting by itself, could mobilize the financial and manpower resources needed to establish institutions of equal scope and vigor.

The study points out, however, that the Western European nations, acting in concert, could easily assemble the skills and facilities required to establish and operate a Western European equivalent of the Massachusetts Institute of Technology.

Such an international institute might grant its own degrees and concentrate on graduate work. It would, of course, in no sense, be a substitute for existing national universities. It would supplement, and not replace, their activities.

There is every reason to think that such an international institute would do as much for science and technology in Western Europe as MIT and its sister institutes have done for North America. The prospective dividends of money invested in such an institute appear great. What is needed at this time is a thorough and detailed study of the practical problems involved in establishing such an institute, together with practical suggestions for solving them.

How would such an institute be financed, both in terms of capital and operating costs?

Where might it be located?

What would be its initial areas of concentration?

How would its first faculty members be chosen?

What would be the yardsticks in selecting students?

What kind of basic laboratory facilities would be needed?

How would the institute relate itself to universities and industrial research centers?

We therefore recommend that the NATO Council speed studies leading toward the earliest practical establishment of an International Institute of Science and Technology in Western Europe.