O'Connell, Daniel J.
Oliver, James D., Jr.
Olsen, Leslie R.
O'Neill, Martin G.
Pace, Joseph J.
Padget, Paul E.
Page, Horace C.
Pardee William M.
Pariseau, Joseph A.
Pittman, Milan L., Jr.
Potter, Edward H., Jr.
Poynter, Drexel E.
Pridonoff, Eugene
Pump, Fred W.
Rapp, Jerome A., Jr.
Rapp, William T.
Rathbun, Leon H., Jr.
Ray, Prentis R.
Regan, Robert F.
Reh, Frank J.
Reilly, Robert F.
Reinhardt, William C.
Riblett, William R.
Rich, Francis E.
Richards, John M.
Riddle, Meredith C.
Ries, Herbert H.
Riley, Richard
Ringenberg, George W.
Robie, Edgar A.
Robinson, Samuel J., Jr.
Robison, Charles D., Jr.
Rossell, Robert H.
Rowell, Ira M., Jr.
Ruffin, Chester E.
Ruiz, Charles K.
Ryan, John W., Jr.
Sahaj, Joseph
Sanders, Charles C.
Sappington, Merrill H.
Scherer, Lee R., Jr.
Scott, David A.
Seelinger, Robert A.
Sell, Leslie H.
Selmer, Robert J.
Sestak, Joseph A.
Shaw, Frank J.
Shepard, Tazewell T., Jr.
Shepherd, John T.
Shirley, James A.
Shor, Samuel W. W.
Short, James W.
Sibold, Arthur P., Jr.
Sinclair, Andrew M.
Smith, Robert G.
Snyder, Gordon A.
Sollenberger, Harold D.
Spielman, James S.
Spreen, Roger E.
Stack, Martin J.
Stark, Robert E.
Stastny, Charles E.
Stecher, Robert W.
Sterrett, David S.
Strong, Hope, Jr.
Stuart, Robert M.
Sult, George H.
Sumrall, Elton L.
Swope, James S.
Symons, Floyd M.
Taylor, Robert E.
Tazewell, John P.
Tefft, John E.
Thielges, Bernard A.
Thomas, John M.
Thorne, Fred H.
Thurmon, Norman E.
Tickle, Paul A.
Tilden, Charles E.
Tolleson, Robert T.
Toran, William P.
Traylor, James T., Jr.
Tuttle, Louis "K," Jr.
Umbarger, Bernard S.
Vanness, Harper E., Jr.
Vitucci, Vito L.
Volonte, Joseph E.
Waldman, Albert C., Jr.
Walker, Lewis W., Jr.
Wall, Maurice E.
Wallace, Kenneth C.
Walton, Donald F.
Ward, James R.
Warner, Arthur H., Jr.
Watson, Samuel E.
Welsh, John R.
Werthmuller, Roy W. F.
Westrup, Warren E.
Wharton, Claude A., Jr.
Whisler, George H., Jr.
White, Richard S., III
Wissman, Robert G.
Witmer, Robert M.
Woodall, Reuben F.
Woodward, Horace J.
Woodward, Nelson C.
Yarnell, Lawrence R.
Young, William H.
Zalewski, Chester V.
Zimmermann, Richard G.
Zoeller, Robert J.

COLLECTOR OF CUSTOMS

Robert M. Fortson, of Indiana, to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind.

U.S. MARSHAL

Thomas M. Dugan, of New York, to be U.S. marshal for the eastern district of New York for the term of 4 years, vice Joseph Stockinger.

John A. Rowland, of South Carolina, to be U.S. marshal for the eastern district of South Carolina for the term of 4 years, vice Dallas A. Gardner, Jr.

U.S. DISTRICT JUDGE

Wade Hampton McCree, Jr., of Michigan, to be U.S. district judge for the eastern district of Michigan, vice a new position.

U.S. CIRCUIT JUDGE

Luther M. Swygert, of Indiana, to be U.S. circuit judge for the seventh circuit. (A new position.)

U.S. ATTORNEY

Thomas L. Robinson, of Tennessee, to be U.S. attorney for the western district of Tennessee for the term of 4 years, vice Warner Hodges.

# HOUSE OF REPRESENTATIVES

MONDAY, SEPTEMBER 18, 1961

The House met at 11 o'clock a.m. and was called to order by the Speaker pro tempore, Mr. McCORMACK.

Rev. Thomas Scannell, pastor, St. Michaels Roman Catholic Church, Annandale, Va., offered the following prayer:

For this brief minute our minds are united and focused on Thee our God. We address ourselves to Thee first as men, then as American men, and finally as Members of the Congress of the United States.

Very rightly, as human beings created by Thee, to Thee do we pay our homage. With all our minds and hearts and souls we acknowledge Thee our Lord God. Thee alone we adore.

Next we speak as American citizens. We offer thanks, deepest heartfelt thanks, for all the tremendous gifts, spiritual and material, that You have lavished upon us and upon our country.

Next, speaking as Members of this great lawmaking body, we earnestly beg Your divine guidance. Enlighten our minds so that we may know what is best for our own people and for all the peoples of the world who depend on us. Move our wills to act always as You would have us act.

And finally we speak to You O God as sons to a loving Father. We well know the tremendous responsibilities resting on our shoulders. The future course of the world, perhaps even the survival of the human race, depends in large part on the vision, the courage, the selflessness that we exercise in the discharge of our duties.

And only too well we know our human weaknesses. Without Your help, Lord, we can do nothing; with You beside us we can and we shall do all that must be done.

So help us God. Amen.

## THE JOURNAL

The Journal of the proceedings of Saturday, September 16, 1961, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

S. RES. 213

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. Overton Brooks, late a Representative from the State of Louisiana.

*Resolved*, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That, as a further mark of respect to the memory of the deceased, the Senate, at the conclusion of its business today, stand in recess until 12 o'clock noon on Monday next.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4317) entitled "An act to amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8072) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1962, and for other purposes."

## CERTAIN LANDS IN THE GRANITE CREEK AREA, ALASKA

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2279) to provide for the withdrawal from the public domain of certain lands in the Granite Creek area, Alaska, for use by the Department of the Army at Fort Greely, Alaska, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "four hundred" and insert "five hundred and ninety".

Page 2, line 1, after "antemeridian)," insert "however excepting therefrom that portion of west one-half of section 26, township 12 south, range 10 east Fairbanks meridian lying east of the Richardson Highway,".

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

## AMBASSADOR STEVENSON ON ADMISSION OF RED CHINA TO THE U.N.

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

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

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, yesterday our Ambassador to the United Nations, Hon. Adlai Stevenson, appeared on "Meet the Press."

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

He said that the question of the admission of Red China to the United Nations would be the main subject for consideration at the upcoming session of the U.N. General Assembly. He also said he hoped President Kennedy would make a major speech on disarmament at the U.N. this Thursday, but that he, Stevenson, has made no calculation of the effect of such a speech upon the Red China debate. In other words, our Ambassador to the United Nations has made no calculation of the effect of a disarmament speech by the President of the United States upon the most important question that will come before the U.N. General Assembly. Mr. Speaker, I wonder who, if anyone, has made such a calculation?

Then Ambassador Stevenson said he didn't know what the American people could do about it if Red China did get admitted to the United Nations.

The American people could do plenty about it, if they should want to. The American people still have their Representatives in Congress and the Congress still has the power of the purse.

Mr. Speaker, Ambassador Stevenson's appearance on the television was a disturbing thing, and I hope he does not necessarily speak for the President in every particular on the points I have mentioned.

## PEACE CORPS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7500) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

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

The Chair hears none and, without objection, appoints the following conferees: Messrs. MORGAN, ZABLOCKI, KELLY, MERROW, and JUDD.

## CONSENT CALENDAR

The SPEAKER pro tempore. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

## PROVIDING FOR A SURVEY TO DETERMINE THE PRACTICABILITY OF ADOPTING THE METRIC SYSTEM OF WEIGHTS AND MEASURES

The Clerk called the bill (H.R. 2049) to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the United States of the metric system of weights and measures.

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

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

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

There was no objection.

## RECOGNIZING OFFICIAL SAN DIEGO AS THE BIRTHPLACE OF NAVAL AVIATION

The Clerk called House Concurrent Resolution 208.

The SPEAKER pro tempore. Is there objection to the present consideration of the House concurrent resolution?

Mr. HARDY, Mr. LANKFORD, and Mr. RYAN objected; and, under the rule, the concurrent resolution was stricken from the Consent Calendar.

## DESIGNATING THE NEW LOCK ON THE ST. MARYS RIVER AT SAULT STE. MARIE, MICH., AS THE "JOHN A. BLATNIK LOCK"

The Clerk called the bill (H.R. 947) to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the "John A. Blatnik lock."

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

Mr. CEDERBERG. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

## NATIONAL BOTANIC GARDEN IN HAWAII

The Clerk called the bill (H.R. 5628) to provide for a study and investigation of the desirability and feasibility of establishing and maintaining a National Tropical Botanic Garden.

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

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

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

There was no objection.

## PROTECTION OF CERTAIN COMMUNICATIONS FACILITIES

The Clerk called the bill (S. 1990) to amend section 1362 of title 18 of the United States Code so as to further protect the internal security of the United States by providing penalties for malicious damage to certain communications facilities.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 1362 of title 18 of the United States Code is amended to read as follows:

"§ 1362. Communication lines, stations, or systems

"Whoever willfully or maliciously injures or destroys any of the works, property, or material of any radio, telegraph, telephone or cable, line, station, or system or other means of communication, operated or controlled by the United States, or used or intended to be used for military or civil defense functions of the United States, whether constructed or in process of construction, or willfully or maliciously interferes in any way with the working or use of any such line, or system, or willfully or maliciously obstructs, hinders, or delays the transmission of any communication over any such line, or system, shall be fined not more than $10,000 or imprisoned not more than ten years, or both.

"In the case of any works, property, or material, not operated or controlled by the United States, this section shall not apply to any lawful strike activity, or other lawful concerted activities for the purposes of collective bargaining or other mutual aid and protection which do not injure or destroy any line or system used or intended to be used for the military or civil defense functions of the United States."

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

A motion to reconsider was on the table.

House Resolution 463 was laid on the table.

## AUTHORIZING EASEMENTS IN REAL PROPERTY OF THE UNITED STATES

The Clerk called the bill (H.R. 8355) to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies, and for other purposes.

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

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

There was no objection.

## SURVEYS OF WATERSHED AREAS FOR FLOOD PREVENTION

The Clerk called the bill (H.R. 3801) to authorize the Secretary of the Army and the Secretary of Agriculture to make joint investigations and surveys of watershed areas for flood prevention or the conservation, development, utilization, and disposal of water, and for flood control and allied purposes, and to prepare joint reports on such investigations and surveys for submission to the Congress, and for other purposes.

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

Mr. WHITTEN. Mr. Speaker, reserving the right to object, in 1948, in the bill I have the honor to handle, the Committee on Appropriations provided that where the jurisdiction exercised by either the Corps of Engineers or the Department of Agriculture ended the other began. At that time we were having trouble getting the Corps of Engineers and the Department of Agriculture to fully meet the problem. Left was a sort of no man's land. In 1953 the Subcommittee on Agricultural Appropriations, of which I serve as chairman, set up the pilot watershed program, about 56 pilot plants over the Nation. This has led to the wonderful watershed and flood prevention programs that we have today, and

with the Department of Agriculture leading the way, the Corps of Engineers is now cooperating.

Mr. Speaker, I wonder if my colleague, the author of the bill, the gentleman from Mississippi [Mr. SMITH], is on the floor.

Mr. EDMONDSON. Mr. Speaker, if the gentleman will yield, I am familiar with the bill and if the gentleman has a question concerning it, I shall try to answer it.

Mr. WHITTEN. Mr. Speaker, when something proves good almost everyone wants to move into the act. I am pleased to have all this present interest and support. On the particular bill, back through the years, the Soil Conservation Service tells me, as does the Corps of Engineers, that we have had complete cooperation and coordination in working out these programs. Each has the privilege of going over the studies and plans of the other and does do so.

As I am sure the gentleman can see, it is highly risky, if you provide for a joint survey and a joint report as this bill originally proposed the plans of the Department of Agriculture could be held up by the corps or by the Committee on Public Works.

I have talked to the Soil Conservation Service and that Service did not and does not recommend this bill. I am sure that they, like me, would oppose it unless the committee carries through with its assurance that the bill, H.R. 3801, be amended by adding at the end of the first section the following: "*Provided,* That the project authorization procedure established by Public Law 566, 83d Congress, as amended, shall not be affected."

And further the committee's commitment to strike out section 2 as follows:

SEC. 2. When the Congress has authorized the projects recommended in such joint reports, those recommended works of improvement located on or along a stream or other waterway having a drainage area above such improvements of more than two hundred and fifty thousand acres, and those recommended local protection works situated within the boundaries of urban areas within drainage areas of two hundred and fifty thousand acres or less which constitute a substantial part of the recommended works of improvement for such drainage areas, shall be prosecuted by the Secretary of the Army under the provisions of the Flood Control Act of 1936, as amended and supplemented; and those recommended works of improvement located on or along a stream or other waterway having a drainage area above such improvements of two hundred and fifty thousand acres or less, except for such local protection works as are mentioned above, shall be carried out by local organizations with assistance from the Secretary of Agriculture under the provisions of the Watershed Protection and Flood Prevention Act, as amended: *Provided,* That such joint reports shall contain an economic justification for the recommended system of works of improvement, and no further economic justification shall be required in connection with plans for such works of improvement prepared under the provisions of the Flood Control Act of 1936, as amended and supplemented, or the Watershed Protection and Flood Prevention Act, as amended.

As I say, in 1948 we provided that where one's responsibility ceased, that of the other started. Certainly they should cooperate, and they do cooperate now and have been doing so for many years in these plans and in these programs. I do know the Corps' interest and effort in this area has lagged far behind that of the Department of Agriculture. If these changes are made in the bill I would certainly want the assurance of the gentleman that this legislation will not be used in such a way that one department could veto the program of the other, because that could lead to a slowdown of the very vital work we have been getting through the cooperation of these two departments.

Mr. EDMONDSON. Mr. Speaker, I think the gentleman makes a very fine point, and I would certainly agree with him, that if this bill were to operate in that way, it would be to the disadvantage of the overall program in which we are all interested. But it is my understanding that joint surveys of this type and joint reports would only be undertaken where both agencies have felt that it was desirable to do this and where Members of Congress have joined in and asked that it be done. It is further my understanding that the people in the Soil Conservation Service were responsible for the drafting of this bill in the first place.

Mr. WHITTEN. They advise me that it was drafted on request, that they did not request nor approve the legislation. Further, it is my opinion that unless these amendments are adopted, they are opposed to it. I am sure the gentleman is familiar with the fact that they have been cooperating in the planning so that each would fit in with the other; is that correct?

Mr. EDMONDSON. I think there has been some fine cooperation in some of the planning, but on the other hand there have been situations where there has not been a coordination of planning and where parallel planning operations have been going forward without the degree of concentration that would benefit the public and the Government that we would like to see.

Mr. WHITTEN. For the gentleman's committee to inject themselves into that area—with the best of intentions—does the gentleman think that would improve that situation or should we call on each of the services to cooperate more fully on matters of that sort?

Mr. EDMONDSON. Mr. Speaker, may I say to the gentleman that there is certainly no intention in this bill to strongarm cooperation in a field where cooperation would seem to be in the best interests of everyone. This simply provides a mechanism for cooperative effort where it appears to be in order and where both agencies are agreeable to that approach. We do not have that mechanism in the law today for joint surveys and reports.

Mr. WHITTEN. It is not required by law, but let me say to the gentleman that in the many years that I have been here the Soil Conservation Service and the Corps of Engineers have consistently been given responsibility in different areas and have cooperated in carrying them out. It goes back to the Flood Control Act of 1946 which affected large sections of my area. Reports covering the facts were made by both services, in connection with plans for works of improvement. That act provided for the responsibility of each. May I say again that in 1948 we provided by law that where the responsibility of one ceases the other begins. May I say further that since that time we have had full coordination between the departments. I only wish we could have gotten the corps to move more speedily. On the gentleman's assurance that we will have the cooperation of the gentleman's committee to keep this bill from being used to slow down the operations that are going on now, I will withdraw my reservation of objection, Mr. Speaker.

Mr. EDMONDSON. Mr. Speaker, I thank the gentleman.

Mr. BAILEY. Mr. Speaker, further reserving the right to object, I do so for the purpose of eliciting some information. Within recent weeks I have been processing an upstream development project before the House Committee on Agriculture. It appears from the consideration of this project that the other body has asked the General Accounting Office to make a report of the project cost, and the other body used that as a means of objecting to the consideration of the project.

May I ask the gentleman from Oklahoma or the gentleman from Mississippi, is there anything that would authorize the calling in of the General Accounting Office? I thought they were engaged in postaudit activities for the Congress and were not in the position of giving advice.

Mr. WHITTEN. Mr. Speaker, if the gentleman will yield to me, the responsibility of the General Accounting Office is rather broad. Normally they pass on whether the expenditure of money is authorized for the purposes for which it is spent.

On the assurance of the gentleman from Oklahoma that that would not be so used, I have withdrawn any objection. When you get to the General Accounting Office, may I say that those of us on the committee handling the appropriations would be glad to cooperate with the gentleman in connection with his project, but I have not had a chance to study what the General Accounting Office can do in such circumstances. I would presume they would be making some point that certain funds were not in accord with authority.

Mr. BAILEY. Does the gentleman from Oklahoma have any comment on the matter?

Mr. EDMONDSON. The gentleman is apparently referring to a project that is under the jurisdiction of the Agricultural Committee rather than the Public Works Committee. The gentleman from Oklahoma is not familiar with that particular project or with the procedure the gentleman has referred to. It does seem to be a rather unusual approach to the justification for a project, but, as I say, I am unacquainted with the background of it and would not have an opportunity to answer the gentleman.

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

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

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, I regret that I was not in the Chamber at the time discussion on H.R. 3801 started. This legislation means much to water resource development throughout the country, but it perhaps means more to the immediate future of our flood control program in Mississippi than any other item now before the Congress. All of the leaders in water resources legislation in the Congress are familiar with the terms of the bill and concur in its passage. I have personally checked with most of them, including the gentleman from Texas, Mr. POAGE, the co-author of the Small Watershed Act. My bill has been carefully drafted to avoid any conflict of jurisdiction in the Congress. It is designated to speed up the essential work in this field which has been so long delayed.

H.R. 3801 is a product of long consideration by the House Subcommittee on Watershed Development. Members of this subcommittee have been seeking every possible means of bringing about better coordination of the important water resource programs carried on by both the Corps of Engineers and the Soil Conservation Service.

Members of our committee have specifically visited areas in Mississippi where joint programs are just beginning and we have been assured by all concerned that a program of this type will greatly benefit their operations.

I regret that there has been any delay in approval of this legislation by the House. It is one of the major steps forward that we must take in order to achieve our goal of full control of floods and soil erosion.

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Army and the Secretary of Agriculture, when authorized to do so by resolutions adopted by the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, are hereby authorized and directed to make joint investigations and surveys in accordance with their existing authorities of watershed areas in the United States, Puerto Rico, and the Virgin Islands, and to prepare joint reports on such investigations and surveys setting forth their recommendations for the installation of the works of improvement needed for flood prevention or the conservation, development, utilization, and disposal of water, and for flood control and allied purposes. Such joint reports shall be submitted to the Congress through the President for adoption and authorization by the Congress of the recommended works of improvement.

SEC. 2. When the Congress has authorized the projects recommended in such joint reports, those recommended works of improvement located on or along a stream or other waterway having a drainage area above such improvements of more than two hundred and fifty thousand acres, and those recommended local protection works situated within the boundaries of urban areas within drainage areas of two hundred and fifty thousand acres or less which constitute a substantial part of the recommended works of improvement for such drainage areas, shall be prosecuted by the Secretary of the Army under the provisions of the Flood Control Act of 1936, as amended and supplemented; and those recommended works of improvement located on or along a stream or other waterway having a drainage area above such improvements of two hundred and fifty thousand acres or less, except for such local protection works as are mentioned above, shall be carried out by local organizations with assistance from the Secretary of Agriculture under the provisons of the Watershed Protection and Flood Prevention Act, as amended: *Provided,* That such joint reports shall contain an economic justification for the recommended system of works of improvement, and no further economic justification shall be required in connection with plans for such works of improvement prepared under the provisions of the Flood Control Act of 1936, as amended and supplemented, or the Watershed Protection and Flood Prevention Act, as amended.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, such sums to remain available until expended.

With the following committee amendments:

Page 2, line 11, strike out the period and insert in lieu thereof a colon and the following: "*Provided,* That the project authorization procedure established by Public law 566, 83d Congress, as amended, shall not be affected."

Strike out "SEC. 2" and renumber "SEC. 3" as "SEC. 2".

The committee amendments were agreed to.

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

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## REGISTRATION AND PROTECTION OF TRADEMARKS

The Clerk called the bill (H.R. 4333) to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes," approved July 5, 1946, as amended.

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

Mr. GROSS. Reserving the right to object, Mr. Speaker, I note in the report on this bill a letter from the Chairman of the Federal Trade Commission, Mr. Dixon, who states on page 13 that the proposal to amend section 45 does considerable violence to the whole theory of a "service mark" because it tends to give a party rendering a service a property interest in the results or products of his service which are not related to the service which he performs.

I wonder if there is someone on the committee who can tell me whether this objection by the Chairman of the FTC, has been met.

Mr. LINDSAY. The Federal Trade Commission was the only agency that wanted to make changes of a very substantial nature to this bill. This amendment makes clear in the law the position which the trademark office has had for about 10 years. It is a clarifying amendment stating in statutory text the trademark office practice regarding service marks. If the FTC wants to change the law in this area—and it will be a substantial change—then it should be done by separate legislation and not by this bill which is primarily a housekeeping bill.

Mr. GROSS. I appreciate the gentleman's explanation, and, Mr. Speaker, I withdraw my reservation of objection.

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

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

*Be it enacted by the Senate and House of Representaives of the United States of America in Congress assembled,* That paragraph (1) of subsection (a) of section 1 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes", approved July 5, 1946 (60 Stat. 427), as amended, is amended by striking the words "as might be calculated to deceive" and inserting in lieu thereof "as to be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive"; and by striking the words "or services" from the proviso thereof.

SEC. 2. Subsection (d) of section 2 is amended by striking the language beginning with the word "confusion", first appearance, and ending with the word "herewith" at the end of said subsection and inserting in lieu thereof the following: "confusion, or to cause mistake, or to deceive: *Provided,* That when the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks as a result of their concurrent lawful use in commerce prior to (i) the earliest of the filing dates of the applications pending under this Act; or (ii) the date of a registration issued under this Act; or (iii) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (iv) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods in connection with which such mark is registered to the respective persons."

SEC. 3. Section 6 is amended by striking the entire section and inserting in lieu thereof the following:

SEC. 6. (a) The Commissioner may require the applicant to disclaim an unregistrable component of a mark otherwise registrable.

An applicant may voluntarily disclaim a component of a mark sought to be registered.

"(b) No disclaimer heretofore or hereafter made, or made under pargaraph (d) of section 7 of this Act, shall prejudice or affect the applicant's or registrant's rights then existing or thereafter arising in the disclaimed matter, or his right of registration on another application if the disclaimed matter be or shall have become distinctive of his goods or services."

SEC. 4. The first sentence of subsection (a) of section 7 is amended by striking therefrom the word "either"; by striking the words "name printed" and inserting in lieu thereof the words "signature placed"; by striking the words "and attested by an assistant commissioner or by one of the law examiners duly designated by the Commissioner," and by striking the words "and a record thereof, together with printed copies of the drawing and statement of the applicant, shall be kept in books for that purpose" and inserting in lieu thereof the words ", and a record thereof shall be kept in the Patent Office." The second sentence of subsection (a) of section 7 is amended by striking therefrom the word "certificate" and inserting the word "registration" in lieu thereof; by striking therefrom the words "the drawing of"; and by striking the words "the grant of".

Subsection (d) of section 7 is amended by striking the entire subsection and inserting in lieu thereof the following: "Upon application of the registrant the Commissioner may permit any registration to be surrendered for cancellation, and upon cancellation appropriate entry shall be made in the records of the Patent Office. Upon application of the registrant and payment of the prescribed fee, the Commissioner for good cause may permit any registration to be amended or to be disclaimed in part: *Provided,* That the amendment or disclaimer does not alter materially the character of the mark. Appropriate entry shall be made in the records of the Patent Office and upon the certificate of registration or, if said certificate is lost or destroyed, upon a certified copy thereof."

Subsection (e) of section 7 is amended by striking the words "certificates of"; by adding an "s" to the word "registration"; and striking the words "a chief of division" and inserting in lieu thereof "an employee of the Office".

Subsection (f) of section 7 is amended by striking from the first sentence the words ", signed by the Commissioner and sealed with the seal of the Patent Office"; by striking the word "certificate", second occurrence; and by striking the word "certificate", third occurrence, and inserting the word "registration" in lieu thereof.

SEC. 5. Section 9 is amended by striking the entire section and inserting in lieu thereof the following:

"SEC. 9. (a) Each registration may be renewed for periods of twenty years from the end of the expiring period upon payment of the prescribed fee and the filing of a verified application therefor, setting forth those goods or services recited in the registration on or in connection with which the mark is still in use in commerce and attaching thereto a specimen or fascimile showing current use of the mark, or showing that any nonuse is due to special circumstances which excuse such nonuse and it is not due to any intention to abandon the mark. Such application may be made at any time within six months before the expiration of the period for which the registration was issued or renewed, or it may be made within three months after such expiration on payment of the additional fee herein provided.

"(b) If the Commissioner refuses to renew the registration, he shall notify the registrant of his refusal and the reasons therefor.

"(c) An applicant for renewal not domiciled in the United States shall be subject to and comply with the provisions of section 1(d) hereof."

SEC. 6. Section 10 is amended by changing the colon following the word "conducted" to a period and striking the words *"Provided,* That any assigned registration may be canceled at any time if the registered mark is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used"; and striking the sentence "The Commissioner shall keep a separate record of such assignments submitted to him for recording." and inserting in lieu thereof "A separate record of assignments submitted for recording hereunder shall be maintained in the Patent Office."

SEC. 7. Subsection (a) of section 12 is amended by changing the period at the end thereof to a colon and inserting after the colon the following: *"Provided,* That in the case of an applicant claiming concurrent use, or in the case of an application to be placed in an interference as provided for in section 16 of this Act, the mark, if otherwise registrable, may be published subject to the determination of the rights of the parties to such proceedings."

Subsection (c) of section 12 is amended by striking therefrom the first word of the last sentence and inserting in lieu thereof the words "Marks published under this".

SEC. 8. Section 13 is amended by striking the words "notice of" each occurrence, and by adding at the end thereof the following sentence: "An opposition may be amended under such conditions as may be prescribed by the Commissioner."

SEC. 9. Section 14 is amended by striking said section in its entirety and inserting in lieu thereof the following:

"SEC. 14. A verified petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed by any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this Act, or under the Act of March 3, 1881, or the Act of February 20, 1905—

"(a) within five years from the date of the registration of the mark under this Act; or

"(b) within five years from the date of publication under section 12(c) hereof of a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905; or

"(c) at any time if the registered mark becomes the common descriptive name of an article or substance, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsections (a), (b), or (c) of section 2 of this Act for a registration hereunder, or contrary to similar prohibitory provisions of said prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used; or

"(d) at any time if the mark is registered under the Act of March 3, 1881, or the Act of February 20, 1905, and has not been published under the provisions of subsection (c) of section 12 of this Act; or

"(e) at any time in the case of a certification mark on the ground that the registrant (1) does not control, or is not able legitimately to exercise control over, the use of such mark, or (2) engages in the production or marketing of any goods or services to which the certification mark is applied, or (3) permits the use of the certification mark for purposes other than to certify, or (4) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies:

*"Provided,* That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (e) of this section any mark registered on the principal register established by this Act, and the prescribed fee shall not be required."

SEC. 10. Section 15 is amended by striking "(c) and (d)" in the first paragraph and inserting in lieu thereof the following: "(c) and (e)".

Section 15 is amended by striking "or trade name" from paragraph numbered (4).

SEC. 11. Section 16 is amended by striking therefrom the word "purchasers".

SEC. 12. Section 21 is amended by striking the entire section, and inserting in lieu thereof the following:

"SEC. 21. (a)(1) An applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancellation proceeding, a registrant who has filed an affidavit as provided in section 8, or an applicant for renewal, who is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, may appeal to the United States Court of Customs and Patent Appeals thereby waiving his right to proceed under section 21(b) hereof: *Provided,* That such appeal shall be dismissed if any adverse party to the proceeding, other than the Commissioner, shall, within twenty days after the appellant has filed notice of appeal according to section 21(a)(2) hereof, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 21(b) hereof. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under said section 21(b), in default of which the decision appealed from shall govern the further proceedings in the case.

"(2) When an appeal is taken to the United States Court of Customs and Patent Appeals, the appellant shall give notice thereof to the Commissioner, and shall file in the Patent Office his reasons of appeal, specifically set forth in writing, within such time after the date of the decision appealed from, not less than sixty days, as the Commissioner appoints.

"(3) The court shall, before hearing such appeal, give notice of the time and place of the hearing to the Commissioner and the parties thereto. The Commissioner shall transmit to the court certified copies of all the necessary original papers and evidence in the case specified by the appellant and any additional papers and evidence specified by the appellee, and in an ex parte case the Commissioner shall furnish the court with the grounds of the decision of the Patent Office, in writing, touching all the points involved by the reasons of appeal.

"(4) The court shall hear and determine such appeal on the evidence produced before the Patent Office, and the decision shall be confined to the points set forth in the reasons of appeal. Upon its determination, the court shall return to the Commissioner a certificate of its proceedings and decision, which shall be entered of record in the Patent Office and govern the further proceedings in the case.

"(b)(1) Whenever a person authorized by section 21(a) hereof to appeal to the United States Court of Customs and Patent Appeals is dissatisfied with the decision of the Commissioner or Trademark Trial and Appeal Board, said person may, unless appeal has been taken to said Court of Customs and Patent Appeals, have remedy by a civil action if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 21(a). The court may adjudge that an applicant is entitled to a registration upon

the application involved, that a registration involved should be canceled, or such other matter as the issues in the proceeding require, as the facts in the case may appear. Such adjudication shall authorize the Commissioner to take any necessary action, upon compliance with the requirements of law.

"(2) The Commissioner shall not be made a party to an inter partes proceeding under this subsection, but he shall be notified of the filing of the complaint by the clerk of the court in which it is filed and shall have the right to intervene in the action.

"(3) In all cases where there is no adverse party, a copy of the complaint shall be served on the Commissioner; and all the expenses of the proceedings shall be paid by the party bringing them, whether the final decision is in his favor or not. In suits brought hereunder, the record in the Patent Office shall be admitted on motion of any party, upon such terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of any party to take further testimony. The testimony and exhibits of the record in the Patent Office, when admitted, shall have the same effect as if originally taken and produced in the suit.

"(4) Where there is an adverse party, such suit may be instituted against the party in interest as shown by the records of the Patent Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same State, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the adverse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs."

SEC. 13. Section 23 is amended by striking from the last paragraph thereof the words "has begun the lawful use of his mark in foreign commerce and that he".

SEC. 14. Section 24 is amended by inserting in the second sentence thereof, following the word "time", the following: ", upon payment of the prescribed fee and the filing of a verified petition stating the ground therefor,"; and by inserting in the third sentence following the word "Board" the word "which".

SEC. 15. Section 29 is amended by deleting following: "In the Patent Office, may"; and by deleting "so to mark goods bearing the the principal register established by this Act, shall" and inserting in lieu thereof the following: "In the Patent Office, may"; and by deleting "so to mark goods bearing the registered mark, or by a registrant under the Act of March 19, 1920, or by the registrant of a mark on the supplemental register provided by this Act" and inserting in lieu thereof "to give such notice of registration,".

SEC. 16. Section 30 is amended by striking the word "shall" in the first sentence and inserting in lieu thereof the word "may"; and by striking therefrom all of said section except the first sentence thereof and inserting in lieu thereof the following: "The applicant may file an application to register a mark for any or all of the goods and services upon or in connection with which he is actually using the mark: *Provided,* That when such goods or services fall within a plurality of classes, a fee equaling the sum of the fees for filing an application in each class shall be paid, and the Commissioner may issue a single certificate of registration for such mark."

SEC. 17. Subsection (1) of section 32 is amended by striking the entire subsection and inserting in lieu thereof the following:

"Any person who shall, without the consent of the registrant—

"(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

"(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive."

Paragraph (b) of subsection (2) of section 32 is amended by striking the word "published" and inserting in lieu thereof the word "publisher".

SEC. 18. Subsection (a) of section 33 is amended by striking therefrom the words "certificate of" in the first line, and changing "certificate", second appearance, to "registration".

Subsection (b) of section 33 is amended by striking the word "certificate", first appearance, and inserting the word "regisration" in lieu thereof and by striking therefrom the word "certificate", second appearance, and inserting in lieu thereof "affidavit filed under the provisions of said section 15".

Paragraph (3) of subsection (b) of section 33 is amended by striking therefrom the words "has been assigned and"; and by striking therefrom the word "assignee" and inserting in lieu thereof the words "registrant or a person in privity with the registrant".

Paragraph (5) of subsection (b) of section 33 is amended by striking therefrom the word "the" following the words "date prior to" and inserting in lieu thereof the words "registration of the mark under this Act or"; by striking therefrom "(a) or" following the word "subsection"; and by changing the period to "; or".

Paragraph (6) of subsection (b) of section 33 is amended by inserting the words "registration under this Act or" after the word "the", second appearance; by striking therefrom "(a) or" following the word "subsection", first appearance; by striking from the proviso the words "only where the said mark has been published pursuant to subsection (c) of section 12 and shall apply"; by striking the words "the date of" following the words "prior to" in said proviso and inserting in lieu thereof "such registration or such"; by striking therefrom the words "under subsection (a) or (c) of section 12 of this Act"; and by changing the period to "; or".

SEC. 19. Section 35 is amended by striking "31(1)(b)" and inserting in lieu thereof "32".

SEC. 20. Subsection (b) of section 44 is amended by striking said subsection in its entirety and inserting in lieu thereof the following:

"(b) Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this Act."

Subsection (e) of section 44 is amended by inserting after the word "a" in the second sentence the words "certification or a"; and by striking from said second sentence the words "application for or".

SEC. 21. Section 45 is amended as follows: The sixth paragraph of said section, relating to the definition of "applicant, registrant", is amended by changing "and", second appearance, to ", predecessors,".

The ninth paragraph of said section, relating to the meaning of terms "trade name" and "commercial name", is amended by inserting a comma between the words "commercial" and "agricultural".

The eleventh paragraph of said section, being the definition of "service mark", is amended by striking the definition in its entirety and inserting in lieu thereof:

"The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguished them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor."

The fifteenth paragraph of said section, relating to use in commerce, is amended by changing the period at the end of said paragraph to a comma and adding the words "or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith."

The seventeenth paragraph of said section, relating to the meaning of the term "colorful imitation", is amended by changing "terms" to "term" and deleting the word "purchasers" at the end thereof.

The final paragraph of said section is amended by striking therefrom the word "commence" and inserting in lieu thereof the word "commerce".

With the following committee amendments:

1. Page 2, line 18, insert after "pending" the words "or of any registration issued".

Page 2, lines 18 and 19, strike out "or (ii) the date of a registration issued under this Act;".

Page 2, line 20, change "(iii)" to "(ii)".

Page 2, line 23, change "(iv)" to "(iii)".

2. Page 3, line 14, strike out "heretofore or hereafter made, or" and substitute ", including those".

Page 4, lines 14 and 15, change "cancellation" to "cancelation".

Page 5, line 25, change "provided" to "prescribed".

Page 5, line 17, change "attaching" to "having attached".

Page 13, line 16, change "In" to "in".

Page 18, line 6, change "distinguished" to "distinguish".

The committee amendments were agreed to.

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

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## COMPACT BETWEEN LOUISIANA AND TEXAS

The Clerk called the bill (H.R. 7855) granting the consent of Congress to an amendment to a compact ratified by the

States of Louisiana and Texas and relating to the waters of the Sabine River.

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

Mr. GROSS. Reserving the right to object, Mr. Speaker, I should like to be assured that this deals only with Texas membership on this commission and has nothing whatever to do with offshore oil lands. No change in the offshore oil lands boundaries is made by this bill?

Mr. ASPINALL. As far as I know, it has nothing to do with offshore oil lands, because that was never even mentioned in the hearings by the committee when we were considering the bill. This authorization is to lengthen the time thereby permitting continuity of membership.

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

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, the consent of the Congress is hereby given to an amendment to the interstate compact relating to the waters of the Sabine River and to its tributaries which was ratified by the Legislature of the State of Texas and ratified by the Legislature of the State of Louisiana, which amendment reads as follows:

"ARTICLE VII—

"(C) The Texas members shall be appointed by the Governor for a term of six years; provided, however, that one of the original Texas members shall be appointed for a term to establish a half-term interval between the expiration dates of the terms of such members, and thereafter one such member shall be appointed each three years for the regular term. One of the Louisiana members shall be ex-officio the Director of the Louisiana Department of Public Works; the other Louisiana member shall be a resident of the Sabine Watershed and shall be appointed by the Governor of Louisiana for a term of four years; provided that the first member so appointed shall serve until June 30, 1958. Each State member shall hold office subject to the laws of his Sate or until his successor has been duly appointed and qualified."

SEC. 2. The right to alter, amend, or repeal this Act is expressly reserved. This reservation shall not be construed to prevent the vesting of rights to the use of water pursuant to applicable law and no alteration, amendment, or repeal of this act shall be held to affect rights so vested.

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

## RECREATION FACILITIES IN RESERVOIR AREAS

The Clerk called the bill (H.R. 4934) to authorize the Secretary of Agriculture to modify certain leases entered into for the provision of recreation facilities in reservoir areas.

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

Mr. GROSS. Reserving the right to object, Mr. Speaker, I notice the report indicates that the bill deals only with licenses entered into before November 1, 1956. The bill strikes out that language. Can someone on the committee handling this bill tell me whether the date of November 1, 1956 is still in the bill, and if not, why not?

Mr. Speaker, I ask unanimous consent that this bill be placed at the foot of the calendar.

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

There was no objection.

## CLARIFY POULTRY PRODUCTS INSPECTION ACT

The Clerk called the bill (H.R. 7866) to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 4 of the Poultry Products Inspection Act (71 Stat. 441) is amended by striking section 4(a) and inserting in lieu thereof the following:

"(a) the term 'commerce' means commerce between any State or the District of Columbia, and any place outside thereof; or between points within the same State or the District of Columbia, but through any place outside thereof; or within the District of Columbia; and the term 'State' includes the Commonwealth of Puerto Rico."

With the following committee amendment:

Page 2, line 2, after "Puerto Rico" insert "and the Virgin Islands."

The committee amendment was agreed to.

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

The title was amended so as to read:

A bill to amend the Poultry Products Inspection Act to extend the application thereof to the Commonwealth of Puerto Rico and the Virgin Islands.

A motion to reconsider was laid on the table.

## ABOLITION OF FEDERAL FARM MORTGAGE CORPORATION

The Clerk called the bill (S. 1040) to abolish the Federal Farm Mortgage Corporation, and for other purposes.

The Clerk read the title of the bill.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I should only like to make this statement, that this ought to be a red letter day in the history of the Government, because we are now abolishing one agency, one corporation, in the Government, perhaps saving a little money. That does not happen very often.

I withdraw my reservation of objection, Mr. Speaker.

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) the Federal Farm Mortgage Corporation, established by the Act of January 31, 1934 (48 Stat. 344; 12 U.S.C. 1020), is hereby abolished; and, except as provided in subsection (d), all of the powers, duties, functions, and authority of such Corporation are hereby terminated.

(b) All right, title, and interest in or to real property other than reserved mineral interests which may appear of public record in any farm credit district to be in the Land Bank Commissioner or the Federal Farm Mortgage Corporation are hereby confirmed to be in the Federal land bank of said district, and said bank is hereby authorized in its own name or in the name of the Federal Farm Mortgage Corporation to execute any assignment, release, satisfaction, or other instrument as may be necessary or appropriate in connection therewith to perfect title of record in the true owners.

(c) All right, title, and interest to any reserved mineral interests of the Federal Farm Mortgage Corporation which have not been disposed of otherwise by the Federal Farm Mortgage Corporation are hereby confirmed to be in the United States of America to be administered by the Secretary of the Interior under the mineral laws of the United States.

(d) There are hereby transferred to the Secretary of the Treasury (1) all cash, accounts receivable, and other assets owned by the Federal Farm Mortgage Corporation, and (2) all authority of such corporation relating to the collection of notes receivable from the Federal land banks.

(e) Any cash received by the Secretary of the Treasury, and any moneys collected by him, by virtue of the transfer made under this section shall be deposited in the general fund of the Treasury as miscellaneous receipts.

SEC. 2. No suit, action, or other proceeding lawfully commenced by or against the Federal Farm Mortgage Corporation shall abate by reason of the enactment of this Act, but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, may allow the same to be maintained by or against the Secretary of the Treasury.

SEC. 3. (a) Sections 1, 2, 3, 4, 5, 6, 12, 17, and 18 of the Federal Farm Mortgage Corporation Act, as amended (12 U.S.C. 1020, 1020a–1020h, 992a, 723(f)), are hereby repealed.

(b) Sections 32 (except the fourteenth sentence thereof), 33, 34, and 35 of the Emergency Farm Mortgage Act of 1933, as amended (12 U.S.C. 1016–1019, except 1016 (h), second sentence) are hereby repealed, and the fourteenth sentence of such section 32 (12 U.S.C. 1016(h), second sentence) is hereby amended by deleting therefrom the word "such".

(c) The first sentence of the eighth paragraph of section 13 of the Federal Reserve Act, as amended (12 U.S.C. 347), is amended by striking out "or by the deposit or pledge of Federal Farm Mortgage Corporation bonds issued under the Federal Farm Mortgage Corporation Act,".

(d) The first sentence of section 14(b) of the Federal Reserve Act, as amended (12 U.S.C. 355), is amended by striking out "bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months,".

(e) The fourteenth paragraph of section 7 of the Federal Farm Loan Act, as amended (12 U.S.C. 723(c)), is amended by striking out the fourth sentence thereof.

(f) The last paragraph of section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 722), is amended to read as follows:

"Amounts transmitted to Federal land bank associations by Federal land banks to me loaned to its members shall, at the option of the bank, be in current funds or, at the option of the borrower, in farm loan bonds."

(g) Paragraph Eighth of section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended to read as follows:

"Eighth. To buy and sell United States Government obligations direct or fully guaranteed."

(h) Section 13 of the Federal Farm Loan Act, as amended (12 U.S.C. 781), is amended by striking out paragraphs Fifteenth, Sixteenth, and Twentieth thereof.

(i) Section 22 of the Federal Farm Loan Act, as amended (12 U.S.C. 897), is amended by (1) striking out clause (e) under the heading "In the case of a Federal land bank", and (2) striking out clause (e) under the heading "In the case of a joint-stock land bank".

(j) Section 62 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1138b), is amended by striking out "the Federal Farm Mortgage Corporation,".

(k) The Act of June 4, 1936, as amended (49 Stat. 1461; 12 U.S.C. 773a), is amended by striking out "the Federal Farm Mortgage Corporation," and "the Land Bank Commissioner".

(l) Section 7(b) of the First Deficiency Appropriation Act, fiscal year 1936, approved June 22, 1936 (49 Stat. 1684; 15 U.S.C. 712a (b)), is amended by striking out item 4 thereof and by redesignating items 5 to 13, inclusive, as 4 to 12, respectively.

(m) The Act of September 6, 1950 (64 Stat. 769; 7 U.S.C. 1036), is amended by striking out section 4 thereof.

(n) Section 7(a) of the Farm Credit Act of 1953, as amended (12 U.S.C. 636f(a)), is amended by striking out the second and third sentences thereof.

(o) The second sentence of section 433 of title 18 of the United States Code is amended by striking out "the Federal Farm Mortgage Corporation Act,".

(p) The first paragraph of section 493 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation".

(q) Section 657 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(r) Section 658 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(s) Section 1006 of title 18 of the United States Code is amended by striking out "Federal Farm Mortgage Corporation,".

(t) Section 1014 of title 18 of the United States Code is amended by striking out "or the Federal Farm Mortgage Corporation,".

(u) Section 101 of the Government Corporation Control Act, as amended (31 U.S.C. 846), is amended by striking out "Federal Farm Mortgage Corporation;".

(v) The Department of Agriculture Organic Act of 1944, as amended (58 Stat. 741; 12 U.S.C. 1020a–1), is amended by striking out section 603 thereof.

(w) The last paragraph of section 32 of the Federal Farm Loan Act, as amended (12 U.S.C. 992, 993), is hereby repealed.

With the following committee amendment:

Page 4, line 8, strike out "(12 U.S.C. 722)" and insert "12 U.S.C. 772)"

The committee amendment was agreed to.

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

## DURUM WHEAT PRODUCTION IN TULELAKE, CALIF.

The Clerk called the bill (S. 1107) to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 334(i) of the Agricultural Adjustment Act of 1938, as amended, is amended—

(1) by striking "1958 through 1961" out of the first sentence thereof, and inserting "1958 through 1963"; and

(2) by adding at the end thereof the following additional sentence: "Any provision of law providing for a general reduction in farm acreage allotments, or for an acreage diversion program, for the 1962 crop of wheat shall not be construed to apply to farms for which acreage allotments are increased under the provisions hereof unless such provision of law is made applicable specifically to such farms."

With the following committee amendment:

Page 2, line 1, after "1962" insert "or 1963".

The committee amendment was agreed to.

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

## AMENDMENT TO FARM CREDIT LAWS

The Clerk called the bill (S. 1927) to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes.

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

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

There was no objection.

## EXCHANGE OF LANDS BETWEEN THE NAVY AND OREGON

The Clerk called the bill (H.R. 8924) to amend section 207 of the Military Construction Act of 1960 in order to clarify the authority granted under such section to the Secretary of the Navy to exchange certain lands owned by the United States for lands owned by the State of Oregon.

The Clerk read the title of the bill.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask two or three questions: First of all, does this bill provide for the fair market value in the proposed exchange of lands where there is a difference as to value?

Mr. NORBLAD. Mr. Speaker, if the gentleman will yield, my understanding is that it does.

Mr. GROSS. Well, the gentleman understands that it does, but I should like a little more assurance than that, that it does provide for the fair market value.

Mr. NORBLAD. It does provide for the fair market value.

Mr. GROSS. All right. Now, will the gentleman please tell me the meaning of "missile park"?

Mr. NORBLAD. It is contemplated that the Boeing Aircraft Co. will go in there and do testing.

Mr. GROSS. That is what is known as the missile park; is that right?

Mr. NORBLAD. I presume so, yes.

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

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 207 of the Military Construction Act of 1960 (74 Stat. 166, 175) is amended to read as follows:

"SEC. 207. (a) Notwithstanding any other provisions of law, the Secretary of the Navy is authorized, upon such terms and conditions as he may determine to be in the public interest, to convey to the State of Oregon all or part of or interests in the lands, including acquired and public domain lands, comprising the Boardman Bombing Range in the State of Oregon, as delineated on a map designated as 'War Department, Office of the Division Engineer, North Pacific Division, Real Estate, Boardman Precision Bombing Range', approved February 17, 1947, drawing numbered 0–31–52. The conveyance of such lands to the State of Oregon shall be made in exchange for a conveyance, without restriction as to use of lands, to the United States of such lands, or interests therein, of the State of Oregon as the Secretary of the Navy shall find suitable for use, with any lands or interests retained by the Navy, as a bombing range, and upon payment by the State of Oregon to the United States of such amount as the Secretary of the Navy determines to represent the total of (1) the difference, if any, between the fair market value of the property so conveyed by the Secretary of the Navy and the fair market value of the land and interests in lands accepted in exchange therefor, and (2) the cost to the Department of the Navy of providing a complete substitute facility on the retained lands, if any, and the State lands so acquired.

"(b) The State of Oregon shall agree to be primarily liable and hold the United States harmless from any claims for personal injury or property damage resulting from the condition of the lands conveyed by the United States.

"(c) Of the lands retained by the Navy, if any, together with any lands conveyed to the United States by the State of Oregon, 37,320.31 acres thereof, inclusive of any retained public domain lands, as agreed upon by the Secretary of the Interior and the Secretary of the Navy, shall become public domain lands of the United States subject to all the laws and regulations applicable thereto, but shall remain withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and shall be reserved for use as a bombing range under the administration of the Department of the Navy until such withdrawal and reservation is revoked by order of the Secretary of the Interior with the concurrence of the Secretary of the Navy. The remaining acreage of the lands conveyed to the United States shall become a part of the lands comprising the substitute bombing range and shall be administered by the Department of the Navy.

"(d) The money received by the Secretary of the Navy in connection with the exchange authorized by this Act shall be disbursed as follows: (1) The difference in the fair market value between the public domain lands conveyed by the United States and the lands designated as public domain lands under subsection (c), exclusive of any retained public domain lands, shall be distributed as a receipt from the sale of public domain lands; (2) the difference in the fair market value between the remaining lands and interests exchanged shall be covered into the Treasury as a miscellaneous receipt; and (3) the amount received to defray the cost of providing a complete substitute facility shall be available to the Department of the Navy for the construction and acquisition of such complete substitute facility.

"(e) The Department of the Navy shall not be required to relinquish use of any lands of the Boardman Bombing Range to be conveyed to the State of Oregon until the complete substitute facility is available for use."

With the following committee amendment:

On page 4, lines 3 to 6, after the semicolon substitute the following: "and (3) the amount representing the cost to the Department of the Navy for providing a complete substitute facility on the retained lands, if any, and the State lands so acquired, shall be covered into the Treasury as a miscellaneous receipt."

The committee amendment was agreed to.

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

## DISCLAIM INTEREST IN CERTAIN RIGHTS IN LANDS IN NEVADA

The Clerk called the bill (S. 2272) to disclaim interest in certain rights in certain lands in the State of Nevada.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the United States hereby disclaims any interest in lands which it may have, prior to the date of approval of this Act, acquired by virtue of chapter 103 Stat., Nevada 1887, or by any revisions and reenactment thereof.

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

## ANNUAL AUDIT OF BRIDGE COMMISSIONS

The Clerk called the bill (H.R. 8921) to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes.

Mr. ROGERS of Colorado. Mr. Speaker, reserving the right to object, I am wondering if this legislation would provide for the Congress to make an annual audit of the Port Authority of New York.

Mr. DENTON. The bill was drawn so as to specifically exempt the New York Port Authority.

Mr. ROGERS of Colorado. The title reads "to provide for the annual audit of bridge commissions and authorities created by act of Congress for the filling of vacancies in the membership thereof, and for other purposes." It is the contention of many that any compact entered into by various States constitutes a creation by Congress.

Mr. DENTON. As I say, this bill is specifically limited to these five commissions.

Mr. ROGERS of Colorado. Mr. Speaker, I withdraw my reservation of objection.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) each bridge commission and authority created by Act of Congress shall provide for an annual audit of its financial transactions by an independent public accountant of recognized standing in such maner as prescribed by the Governors of the States concerned and in accordance with generally accepted auditing standards. Each such commission and authority shall make available for such purposes all books, accounts, financial records, reports, files, and all other papers, documents, or property belonging to or in use by such commission or authority. The General Accounting Office is authorized and directed to make available its advice on any matter pertaining to an audit performed pursuant to this section.

(b) The commission or authority within four months following the close of the fiscal year for which the audit is made shall submit a copy of the audit report to the Governors of the States concerned and to the Secretary of Commerce. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital, and surplus or deficits; a statement of surplus or deficit analysis, a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the Governor of the States concerned and the Secretary of Commerce informed of the operations and financial condition of the commission.

(c) The Governor of either State concerned or the Secretary of Commerce is authorized to provide for the conduct of further audits of any bridge commission or authority created by Act of Congress if the audit report submitted under subsection (b) is not satisfactory to said Governor or to the Secretary of Commerce, respectively.

(d) The commission or authority shall bear all expenses of the annual audit of its financial transactions as required by this section. All expenses of any additional audit required under this section shall be paid by the official or agency requesting such additional audit.

SEC. 2. (a) Each person who is a member, on the date of enactment of this Act, of a bridge commission or authority created by Act of Congress shall continue in office until the expiration of his present term, except as provided under subsection (b) of this section.

(b)(1) Except as provided in paragraph (2) of this subsection, where provision is made in the Act creating a bridge commission or authority for membership thereon without limitation as to length of term of office, the Secretary of Commerce shall, on or before the expiration of ninety days after the date of this Act, reappoint not more than one-third of the persons who are members of such bridge commission or authority on the date of enactment of this Act as members of such bridge commission or authority for a term of two years from the date of reappointment, reappoint not more than one-third of the members of such bridge commission or authority for a term of four years, and reappoint the remaining members for a term of six years. Thereafter, the term of each member appointed to such commission or authority shall be six years, except when an appointment is made to fill an unexpired term or when an incumbent member whose term has expired holds over until his successor is appointed, and vacancies shall be filled as provided under subsection (c) of this section.

(2) Notwithstanding any other provision of law, the term of office of each person who is a member of the White County Bridge Commission, created by the Act approved April 12, 1941 (55 Stat. 140), on the date of enactment of this Act shall expire on the ninetieth day after such date of enactment. The Secretary of Commerce shall thereupon appoint three persons as members of the commission, one for a term of two years, one for a term of four years, and one for a term of six years. Each person appointed as a member of the commission thereafter shall be appointed for a term of six years, except that a person appointed to fill a vacancy shall serve only for the unexpired term of his predecsssor. Each person appointed under this subsection shall give such bond as may be fixed by the Secretary of Commerce, conditioned upon the faithful performance of all duties required by this Act. The cost of such bonds shall be deemed an operating expense of the commission. The Secretary of Commerce shall designate the member of the commission who shall serve as chairman and the member who shall serve as vice chairman. Vacancies in the commission shall not affect its powers, and shall be filled in the same manner as the original appointments were made. The commission shall have power to establish rules and regulations for the government of its business.

(c) A vacancy in the membership of any bridge commission or authority to which this Act is applicable occurring by reason of expiration of term, failure to qualify as a member, death, removal from office, resignation, or otherwise, shall be filled by the Secretary of Commerce. Incumbent members whose terms have expired shall hold over in office until their successors are appointed and qualified.

(d) Each member appointed under this Act shall qualify within thirty days after appointment by filing with the Secretary of Commerce an oath that he will faithfully perform the duties imposed upon him by law.

(e) Each member appointed under this Act shall be removable for cause by the Secretary of Commerce.

(f) This section shall not be applicable to ex officio members or State highway department members of such bridge commissions or authorities.

SEC. 3. Each bridge commission and authority created by Act of Congress shall submit an annual report, covering its operations and fiscal transactions during the preceding fiscal year, its financial condition and a statement of all receipts and expenditures during such period, to the Governors of the States concerned and to the Secretary of Commerce not later than four months following the close of the fiscal year for which the audit required under section 1 of this Act is made.

SEC. 4. Authority is hereby granted to transfer all functions, powers, duties, responsibilities, authority, assets, liability, obligations, books, records, property, and equipment of any existing bridge commission or authority created by Act of Congress to the highway department or other agency of the State or States concerned, or to joint agencies established by interstate compact or agreement. Such transfer shall be carried

out in a manner as may be prescribed or authorized by the laws of the State or States concerned. Upon such transfer, such bridge commission or authority shall cease to exist.

SEC. 5. (a) All provisions of Acts of Congress creating bridge commissions or authorities may be enforced or the violation thereof prevented by mandamus, injunction, or other appropriate remedy by the chief legal officer of either State concerned, in any court having competent jurisdiction of the subject matter and of the parties. The following provisions of law are hereby repealed:

Section 11 of the Act approved October 30, 1951 (65 Stat. 699);

Section 15 of the Act approved July 26, 1956 (70 Stat. 676);

Section 12 of the Act approved April 12, 1941 (55 Stat. 144).

(b) Members and employees of bridge commissions and authorities created by Act of Congress shall not be deemed to be Federal officers and employees.

(c) The members of such bridge commissions and authorities shall each be entitled to a per diem compensation for their services of $20 for each day actually spent in the business of the commission or authority, but the maximum per diem compensation of the chairman in any one year shall not exceed $3,000, and of each other member in any one year shall not exceed $2,000. The members of such commissions and authorities shall also be entitled to receive traveling expense allowance of 12 cents a mile for each mile actually traveled on the business of the commission or authority.

Payments under the provisions of this subsection shall be in lieu of any other payments for salary or expenses authorized for service as a member of any such commission or authority under the provisions of any other Federal law relating to such commission or authority, but nothing in this subsection shall affect any other Federal law with respect to the funds from which any such payments shall be made.

This subsection shall not apply to any bridge or causeway commission or authority created by an Act of Congress, the entire membership of which is ex officio.

SEC. 6. The provisions of this Act shall apply only to the following bridge commissions and authority:

(1) Arkansas-Mississippi Bridge Commission, created by the Act approved May 17, 1939 (53 Stat. 747);

(2) White County Bridge Commission, created by the Act approved April 12, 1941 (55 Stat. 140);

(3) City of Clinton Bridge Commission, created by the Act approved December 21, 1944 (58 Stat. 846);

(4) Sabine Lake Bridge and Causeway Authority, created by the Act approved October 30, 1951 (65 Stat. 695); and

(5) Muscatine Bridge Commission, created by the Act approved July 26, 1956 (70 Stat. 669).

SEC. 7. If any provision of this Act, or the application of such provision to any person or circumstance, is held invalid, the remainder of the Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

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

## AMENDMENT OF TITLE II OF NATIONAL DEFENSE EDUCATION ACT OF 1958

The Clerk called the bill (H.R. 9053) to amend title II of the National Defense Education Act of 1958 with respect to the periods for which loans under that title are made.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 205(a) of the National Defense Education Act of 1958 is amended by striking out "fiscal year" and inserting in lieu thereof "academic year or its equivalent, as determined under regulations of the Commissioner,".

(b) The amendment made by subsection (a) of this section shall not apply with respect to any academic year or equivalent period, as determined under regulations of the Commissioner of Education, which began before July 1, 1961.

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

## CORRECTING INEQUITY IN THE 1962 WHEAT PROGRAM

The Clerk called the bill (H.R. 8842) to amend subsection (h) of section 124 of the Agricultural Enabling Amendments Act of 1961.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (h) of section 124 of the Agricultural Enabling Amendments Act of 1961 be amended by striking, following the word "subsection", "(a) or", and following the words "diverted acres" insert "of the 1962 allotment".

With the following committee amendment:

Page 1, begining on line 5 strike out the word "following" and all of line 6 and insert "striking out the words 'diverted acres' and inserting in lieu thereof 'acres diverted from the 1962 allotment' ".

The committee amendment was agreed to.

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

## PARTICIPATION IN 1962 FEED GRAIN PROGRAM

The Clerk called the bill (H.R. 8914) to amend subsection (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended.

The SPEAKER pro tempore. Mr. Speaker, is there objection to the present consideration of the bill?

Mr. TOLLEFSON. Mr. Speaker, at the request of Members who could not be present I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY], may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FINDLEY. Mr. Speaker, this bill is a classic example of the way that our farm control bills are liberalized almost immediately following their enactment. Earlier this year Congress passed the "Agricultural Act of 1961." Included in this law was a special 1962 control program for wheat farmers. It was signed by the President on August 8, 1961. Now this afternoon, just 40 days and 40 nights later, we have before the House two bills to liberalize that law. The first bill, H.R. 8842, which was just passed on the Consent Calendar, liberalized the method of calculating how much wheat can be released from the storage of a previously produced crop.

This bill, H.R. 8914, sets up special rules for wheatgrowers in western Kansas and in other summer fallow areas planting winter wheat and barley.

This bill will allow certain farmers to plant and harvest barley now and in 1962, even though they do not have a 1959–60 barley base. This would be allowed at the same time the Department of Agriculture would be paying other farmers for not growing as much barley as they did in 1959–60. It seems to me that such a procedure would be completely illogical and inconsistent.

Another aspect of this legislation which makes it wholly unacceptable is that it gives a special loophole to wheat farmers in just one part of the country. Farmers who retire wheatland under the new wheat law are paid from 45 percent to 60 percent of their normal yield for doing so. Under H.R. 8914 preferred farmers would not only receive this payment, but they would also be able to plant barley on those idled acres. If that barley turned out well next spring, they could harvest it and participate in the feedgrain program. If it turned out poorly, they could plow it under and replace it with other spring-planted feed grains. This preferential treatment does not appear to me to be warranted, especially in view of the fact that ample payment is made for establishing cover crops to prevent wind erosion.

## RICE ACREAGE ALLOTMENTS

The Clerk called the bill (H.R. 9013) to provide for the transfer of rice acreage history where producer withdraws from the production of rice.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 353 of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1353), be amended by adding at the end thereof a new subsection (f) to read as follows:

"(f) (1) If a producer in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm, dies, his history of rice production shall be apportioned in whole or in part among his heirs or devisees according to the extent to which they may continue, or have continued, his farming operations, if satisfactory proof of such succession of farming operations is furnished the Secretary.

"(2) If a producer in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm withdraws in

whole or in part from rice production in favor of a member or members of his family who will succeed to his farming operations that portion of his rice history acreage as may be ascribed to such withdrawal may be transferred to such family member or members, as the case may be, if satisfactory proof of such relationship and succession of farming operations by such family member or members is furnished the Secretary.

"(3) If a producer in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm permanently withdraws from rice production, his rice history acreage may be transferred to another producer or producers who have had previous rice-producing experience, provided the following conditions are met: (i) The transferee must acquire the entire farming operation pertaining to rice, including all production and harvesting equipment, any irrigation equipment not permanently attached to the land, and any land owned by the transferor to which any of the transferred rice history acreage may be ascribed; and (ii) the transferee must actually plant at least 90 per centum of his total producer rice acreage allotment, including the allotment determined on the basis of the rice history acreage acquired from the transferor for at least three out of the next four years following the transfer. Failure by the transferee to comply with condition (ii) above shall result in cancellation of the transfer of the rice history acreage. The transferor of rice acreage history under this subsection shall not be eligible for a producer rice acreage allotment for any year subsequent to such transfer, except to the extent that such allotment may be based on rice history acquired in a year (subsequent to the transfer) for which rice acreage allotments are not in effect.

"(4) Upon dissolution of a partnership in a State in which farm rice acreage allotments are determined on the basis of past production of rice by the producer on the farm, the partnership's history of rice production shall be divided among the partners in such proportion as agreed upon in writing by the partners: *Provided*, That if a partnership was formed in a year in which allotments were in effect and is dissolved in less than three consecutive crop years after the partnership became effective, the rice acreage allotment established for the partnership and rice history acreages credited to the partnership for each of the years during its existence shall be divided among the partners in the same proportion that each partner contributed to the allotment established for the partnership at the time such partnership was formed. The rice history acreage credited to each of the partners for the years prior to the time the partnership was formed shall revert to the person to whom it was originally credited."

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

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY], may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FINDLEY. Mr. Speaker, I believe my colleagues will want to know that this is one more nail in the coffin wherein lies freedom-of-choice farm operation.

This bill permits disposition of rice allotments under these four circumstances: First, the producer dies or is declared incompetent by a court of competent jurisdiction; second, the producer withdraws in whole or in part from rice production in favor of a son, son-in-law, grandson, or nephew; third, the producer permanently withdraws from rice production; or, fourth, a partnership is dissolved.

The bill gives statutory blessing to an administrative policy which separates the right to grow a commodity from a particular parcel of land.

In this case, rice allotments, which already can be carried out in the farmer's pocket, can be willed to anyone, and in some circumstances sold to other rice producers.

Most things which can be disposed of in a will can also be bought and sold. If the trend indicated in this bill continues, we can soon expect to see the right to grow commodities bought and sold like the commodities themselves, with Uncle Sam serving as chief broker.

In establishing the right to grow as an item of quasi-personal property, we open challenging new frontiers for the tax assessor.

An earlier Consent Calendar this year contained H.R. 1022, a bill authorizing the transfer and leasing of tobacco allotments. At that time I pointed out that a leasehold interest in property is much akin to outright ownership and cautioned that once leasing of allotments becomes habitual sale of allotments will quickly follow.

Supporters of H.R. 1022 loudly declared they would never permit the sale of tobacco allotments. H.R. 9013 should be a warning to such people, because it allows the sale of allotments in the settlement of partnership interests and opens the door for unrestricted sale.

This bill is another significant step down the road to regimentation in agriculture.

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## INTER-AMERICAN CHILDREN'S INSTITUTE

The Clerk called the bill (H.R. 8895) to amend the joint resolution providing for membership and participation by the United States in the Inter-American Children's Institute.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have a brief explanation of this bill?

Mr. SELDEN. Mr. Speaker, the Inter-American Children's Institute is a specialized organization of the Organization of American States. It serves as a center of information, study, research, technical advice, and documentations about problems relative to child welfare in the Americas. This organization has been in existence since 1919, and the United States has been a member since 1928.

Mr. GROSS. So that we may shorten the discussion, this is another bill providing for a 40-percent contribution on the part of the United States; is that correct?

Mr. SELDEN. The assessed share of the United States in the expenses of this organization at the present time is 40 percent. Currently the total budget is $80,000, and our share of it is $32,000.

Mr. GROSS. One of the reasons for this organization is to make nutritional studies?

Mr. SELDEN. That is correct.

Mr. GROSS. Yet there are teams of nutritional experts running all around South America and most of the rest of the world, at heavy expense to American taxpayers, digging up information on the nutritional needs of the people when the health departments of those countries unquestionably have this basic information.

I wonder when we are going to demonstrate just a little bit of sanity around here, and stop this use of $50, $75, and $100 per day consultants.

Mr. SELDEN. I should point out to the gentleman that there are other programs undertaken by this group. One of its efforts during 1960 was to bring about improvement of birth registrations as well as the development of other basic statistics relating to children. The Institute during 1960 gave special consultation to Chile in connection with children's services in the earthquake-torn area. The improvement of child nutrition is only one of the programs in which this organization has been active.

Mr. GROSS. I hope the Committee on Foreign Affairs, and other committees dealing with these contributions to international agencies by the United States, will get busy and see to it that the contributions of American taxpayers are substantially reduced in all cases.

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Act of February 16, 1960 (74 Stat. 3), which amended the Act of May 3, 1928, as amended (22 U.S.C. 269b), is hereby amended by deleting the phrase "for the fiscal years 1961 and 1962" and inserting in lieu thereof the phrase "for the fiscal years 1963 and 1964".

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

Mr. SELDEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 66, which is similar to the bill H.R. 8895 just passed.

The Clerk read the title of the Senate joint resolution.

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

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

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Act of February 16, 1960 (74 Stat. 3), which amended the Act of May 3, 1928, as amended (22 U.S.C. 269b), is hereby amended by deleting the phrase "for the fiscal years 1961 and 1962".

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

The Clerk read as follows:

Amendment offered by Mr. SELDEN: Strike out all after the enacting clause and insert the following: "That the Act of February 16, 1960 (74 Stat. 3), which amended the Act of May 3, 1928, as amended (22 U.S.C. 269b), is hereby amended by deleting the phrase 'for the fiscal years 1961 and 1962' and inserting in lieu thereof the phrase 'for the fiscal years 1963 and 1964'."

The amendment was agreed to.

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

A similar House bill (H.R. 8895) was laid on the table.

## PROVIDING FOR THE COLLECTION AND PUBLICATION OF FOREIGN COMMERCE AND TRADE STATISTICS

The Clerk called the bill (H.R. 7791) to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the analysis of title 13, United States Code, immediately preceding chapter 1 of such title, is amended by adding immediately after and underneath item 7 in such analysis the following new item:

"9. Collection and Publication of Foreign Trade Statistics..... 301."

SEC. 2. Title 13, United States Code, is further amended by inserting at the end thereof the following new chapter:

"CHAPTER 9—COLLECTION AND PUBLICATION OF FOREIGN COMMERCE AND TRADE STATISTICS

"Sec.
"301. Collection and publication.
"302. Rules, regulations, and orders.
"303. Secretary of Treasury, functions.
"304. Filing export information, delayed filings, penalties for failure to file.
"305. Violations, penalties.
"306. Delegation of functions.
"307. Relationship to general census law.

"§ 301. Collection and publication

"The Secretary is authorized to collect information from all persons exporting from, or importing into, the United States and the noncontiguous areas over which the United States exercises sovereignty, jurisdiction, or control, and from all persons engaged in trade between the United States and such noncontiguous areas and between those areas, or from the owners, or operators of carriers engaged in such foreign commerce or trade, and shall compile and publish such information pertaining to exports, imports, trade, and transportation relating thereto, as he deems necessary or appropriate to enable him to foster, promote, develop, and further the commerce, domestic and foreign, of the United States and for other lawful purposes.

"§ 302. Rules, regulations, and orders

"The Secretary may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this chapter. Any rules, regulations, or orders issued pursuant to this authority may be established in such form or manner, may contain such classifications or differentiations, and may provide for such adjustments and reasonable exceptions as in the judgment of the Secretary are necessary or proper to effectuate the purpose of this chapter, or to prevent circumvention or evasion of any rule, regulation, or order issued hereunder. The Secretary may also provide by rule or regulation, for such confidentiality, publication, or disclosure, of information collected hereunder as he may deem necessary or appropriate in the public interest. Rules, regulations, and orders, or amendments thereto shall have the concurrence of the Secretary of the Treasury prior to promulgation.

"§ 303. Secretary of Treasury functions

"To assist the Secretary to carry out the provisions of this chapter, the Secretary of the Treasury shall collect information in the form and manner prescribed by the regulations issued pursuant to this chapter from persons engaged in foreign commerce or trade, other than by mail, and from the owners or operators of carriers.

"§ 304. Filing export information, delayed filings, penalties for failure to file

"(a) The information or reports in connection with the exportation or transportation of cargo required to be filed by carriers with the Secretary of the Treasury under any rule, regulation, or order issued pursuant to this chapter may be filed after the departure of such carrier from the port or place of exportation or transportation, whether such departing carrier is destined directly to a foreign port or place or to a noncontiguous area, or proceeds by way of other ports or places of the United States, provided that a bond in an approved form in the penal sum of $1,000 is filed with the Secretary of the Treasury. The Secretary of Commerce may, by a rule, regulation, or order issued in conformity herewith, prescribe a maximum period after such departure during which the required information or reports may be filed. In the event any such information or report is not filed within such prescribed period, a penalty not to exceed $100 for each day's delinquency beyond the prescribed period, but not more than $1,000, shall be exacted. Civil suit may be instituted in the name of the United States against the principal and surety for the recovery of any penalties that may accrue and be exacted in accordance with the terms of the bond.

"(b) The Secretary may remit or mitigate any penalty incurred for violations of this section and regulations issued pursuant thereto if, in his opinion, they were incurred without willful negligence or fraud, or other circumstances justify a remission or mitigation.

"§ 305. Violations, penalties

"Any person, including the owners or operators of carriers, violating the provisions of this chapter, or any rule, regulation, or order issued thereunder, except as provided in section 304 above, shall be liable to a penalty not to exceed $1,000 in addition to any other penalty imposed by law. The amount of any such penalty shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States.

"§ 306. Delegation of functions

"Subject to the concurrence of the head of the department or agency concerned, the Secretary may make such provisions as he shall deem appropriate, authorizing the performance by any officer, agency, or employee of the United States Government departments or offices, or the governments of any areas over which the United States exercises sovereignty, jurisdiction, or control, of any function of the Secretary, contained in this chapter.

"§ 307. Relationship to general census law

"The following sections only, 1, 2, 3, 4, 5, 6, 7, 11, 21, 22, 23, 24, 211, 212, 213, and 214, of chapters 1 through 7 of this title are applicable to this chapter."

SEC. 3. The sections of the Acts, and the Acts or parts of Acts, enumerated in the following schedule, are hereby repealed. Any rights or liabilities now existing under such statutes or parts thereof, and any proceedings instituted under or growing out of, any of such statutes or parts thereof, shall not be affected by this repeal.

| Date | Statutes at Large | | | | Revised Statutes | United States Code | |
|---|---|---|---|---|---|---|---|
| | Chapter | Section | Volume | Page | | Title | Section |
| | | | | | 336 | 15 | [1] 173 |
| | | | | | 337 | 15 | [2] 174 |
| July 16, 1892 | 196 | 1 | 27 | 197 | | 15 | [3] 177 |
| | | | | | 339 | 15 | [4] 179 |
| | | | | | 341 | 15 | [5] 181 |
| | | | | | 263 | 15 | [6] 184 |
| | | | | | 251 | 15 | [7] 185 |
| | | | | | 338 | 15 | 186 |
| | | | | | 3812, 265 | 15 | [8] 187 |
| Apr. 29, 1902 | 637 | 10 | 32 | 172 | | 46 | [9] 95 |
| Do | 637 | 10 | 32 | 172 | | 48 | [9] 1486 |
| Jan. 5, 1923 | 23 | 2 | 42 | 1110 | | 15 | 193 |
| | | | | | 4200 | 46 | [10] 92 |

[1] As amended by acts of Feb. 14, 1903, ch. 552, § 10, 32 Stat. 829; Aug. 23, 1912, ch. 350, § 1, 37 Stat. 407; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736; Jan. 25, 1919, ch. 10, 40 Stat. 1055; Mar. 1, 1919, ch. 86, 40 Stat. 1256.
[2] As amended by acts of Feb. 14, 1903, ch. 552, § 10, 32 Stat. 829; Aug. 23, 1912, ch. 350, § 1, 37 Stat. 407; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736; Mar. 1, 1919, ch. 86, 40 Stat. 1256.
[3] As amended by acts of Mar. 3, 1893, ch. 211, § 1, 27 Stat. 689; Feb. 14, 1903, ch. 552, § 10, 32 Stat. 829; Aug. 23, 1912, ch. 350, § 1, 37 Stat. 407; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736.
[4] As amended by acts of Mar. 3, 1875, ch. 129, § 1, 18 Stat. 352; Feb. 14, 1903, ch. 552, § 10, 32 Stat. 829; Aug. 23, 1912, ch. 350, § 1, 37 Stat. 407; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736; Mar. 1, 1919, ch. 86, 40 Stat. 1256.
[5] As amended by acts of Aug. 23, 1912, ch. 350, § 1, 37 Stat. 407; Mar. 1, 1919, ch. 86, 40 Stat. 1256.
[6] As amended by acts of Feb. 14, 1903, ch. 552, § 10, 32 Stat. 829: Aug. 23, 1912, ch. 350, § 1, 37 Stat. 407; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736; Mar. 1, 1919, ch. 86, 40 Stat. 1256.
[7] Only part referring to form of annual statements on commerce and navigation as amended by acts of Feb. 14, 1903, ch. 552, § 10, 32 Stat. 829; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736.
[8] As amended by acts of Jan. 12, 1895, ch. 23, § 17, 28 Stat. 603; Feb. 14, 1903, ch. 552, § 10, 32 Stat. 829; Mar. 4, 1913, ch. 141, § 1, 37 Stat. 736.
[9] As amended by acts of Feb. 14, 1903, ch. 552, 32 Stat. 829; Mar. 4, 1913, ch. 141, 37 Stat. 736; Apr. 7, 1948, ch. 177, 62 Stat. 161.
[10] As amended by acts of June 16, 1938, ch. 476, § 2, 52 Stat. 759; June 29, 1938, ch. 821, 52 Stat. 1248.

SEC. 4. The provisions of this Act shall take effect one hundred and eighty days after approval, except that the last sentence of section 337, "Fifth" of the Revised Statutes, and the requirement for oaths as found in section 4200 of the Revised Statutes shall be repealed effective on the date this Act is approved.

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

## HIGHWAY POST OFFICE SERVICE

The Clerk called the bill (H.R. 6695) to amend title 39 of the United States Code with respect to the transportation of mail by highway post office service, and for other purposes.

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

Mr. HAYS. Mr. Speaker, reserving the right to object, could we have a brief explanation of this bill?

Mr. HAGAN of Georgia. Mr. Speaker, these amendments to the bill were offered and approved by the Post Office Department. Enactment of this legislation will simply facilitate a more effective and economic utilization by the Post Office Department of two of its important transportation authorities, that is, the authorities to enter into contracts for highway post office service and contracts for star route service.

Three major substantive changes in existing postal policies and procedures in this respect are provided by H.R. 6695.

Mr. HAYS. Can the gentleman tell me in what way it will facilitate it? I have been having trouble in my area with these postal deliveries now. It is slowed down, and people are complaining that they are not getting their mail on time, it is a day late, and so on. Will this help that situation at all? If so, how?

Mr. HAGAN of Georgia. This bill authorizes the Postmaster General to add new segments to highway post office routes, if the original route and the new segment have a common terminus point. Another change authorizes the Postmaster General, with the consent of the contractor, to substitute star routes for highway post office service under a highway post office contract with the substituted service to put in a new negotiated rate, determined in the light of pertinent circumstances but not in excess of the existing highway post office contract rate. Whether this new authority that they have will speed up the service, I am not sure about it.

Mr. HAYS. The gentleman thinks it might not hurt?

Mr. HAGAN of Georgia. It certainly should be more effective if they can add new routes and substitute more appropriate services. This authority is given to the Postmaster General to do that.

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

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsections (b) and (c) of section 6352 of title 39, United States Code, are amended to read as follows:

"(b) The Postmaster General in contracts for highway postoffice service may provide for—

"(1) increasing or decreasing the mileage, or the addition of new route segments provided that the original route and the new segment so added have at least one common terminus point;

"(2) increasing or decreasing the hours of service required;

"(3) other service changes;

"(4) the readjustment and compensation either upward or downward to reflect the service changes and increased or decreased costs attributable to changed conditions occurring during the contract term over which the Postmaster General or the contractor have no control and which would not reasonably have been foreseen at the time the original bid was made or the proposal for renewal filed;

"(5) the imposition or remission of fines and penalties by the Postmaster General for delinquencies in the performance of the contracts; and

"(6) other matters deemed appropriate by him.

"(c) If the Postmaster General, in his discretion, shall determine that highway post office service is no longer required on a route already under contract, he may alter existing highway post office contracts so as to permit the substitution of star route service in lieu of highway post office service for the remainder of the contract period at a rate not in excess of the present rate. The Postmaster General is authorized to extend or renew said contracts for substituted star route service for successive periods of not more than 4 years at the rate of compensation prevailing at the end of the preceding contract term.

"(d) If the Postmaster General shall cancel any contract for highway post office service, he shall make the following indemnities on account of such cancellation:

"(1) not in excess of one-twelfth of the compensation which would have been earned in one year if the service discontinued had been performed; and

"(2) an equitable allowance on account of any vehicle made surplus resulting from such discontinuance of the service. The equitable allowance shall be equal to the difference between the depreciated value which the vehicle made surplus had as of the time the vehicle was first used to perform the contract, less the sum of the following:

"(A) depreciation on account of the use of the vehicle in the performance of the contract, computed by multiplying one seventy-second of the original cost of the vehicle when new by the number of months, or parts of months, the vehicle was used in the performance of the contract;

"(B) new proceeds realized by the sale or disposal of the vehicle made surplus by the discontinuance of the service.".

With the following committee amendments:

(1) Page 1, strike out line 7 and all that follows down through line 2 on page 2, and insert in lieu thereof the following:

"(1) increasing or decreasing the mileage;

"(2) the addition of new route segments if the original route and the new segment to be so added have at least one common terminus point;".

(2) Page 2, line 7, strike out "(2)" and insert "(3)" in lieu thereof.

(3) Page 2, line 9, strike out "(3)" and insert "(4)" in lieu thereof.

(4) Page 2, line 10, strike out "(4)" and insert "(5)" in lieu thereof.

(5) Page 2, line 15, strike out "would" and insert "could" in lieu thereof.

(6) Page 2, line 18, strike out "(5)" and insert "(6)" in lieu thereof.

(7) Page 2, line 21, strike out "(6)" and insert "(7)" in lieu thereof.

(8) Page 2, strike out line 22 and all that follows down through line 7 on page 3, and insert in lieu thereof the following:

"(c) If the Postmaster General determines highway post office service is no longer required on a route already under contract, the Postmaster General may, in his discretion, and with the consent of the highway post office contractor, alter the existing highway post office contract to permit the substitution of star route service in lieu of highway post office service for the remainder of the contract period at a rate which shall be determined by negotiation, taking into consideration the nature and extent of the star route service and other pertinent factors, but which shall not be in excess of the rate being paid under such existing highway post office contract. The Postmaster General is authorized to extend or renew said contracts for substituted star route service for successive periods of not more than 4 years at the rate of compensation prevailing at the end of the preceding contract term. The provisions of section 6420 of this title shall not apply to the contracts altered or renewed pursuant to the authority conferred by this subsection."

(9) Page 4, strike out lines 7 to 22, inclusive, and insert in lieu thereof the following:

"(2) an equitable allowance on account of any vehicle made surplus resulting from such discontinuance of the service. The equitable allowance shall be equal to one-half of the difference between the depreciated value which the vehicle made surplus had as of the time it was first used to perform the contract and the sum of (A) depreciation which occurs during the performance of the contract and (B) the proceeds realized by the sale or disposal of the vehicle made surplus by discontinuation of the service. For the purposes of determining depreciated value as of the time that the vehicle was first used in the performance of the contract and the depreciation which occurs during the performance of the contract, such vehicle will be deemed to have a service life of 72 months and such vehicle will be deemed to uniformly depreciate one 72d of its original sales price for each month.

"(e) If a contract is altered pursuant to subsection (c), the contractor shall not be entitled to either the indemnity or to the equitable allowance provided either in subsection (d) or by the terms of his contract."

The committee amendments were agreed to.

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

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## ELECTION OF CERTAIN EMPLOYEES TO RECEIVE COMPENSATION UNDER SECTION 401 OF THE FEDERAL EMPLOYEES PAY ACT OF 1945

The Clerk called the bill (H.R. 8565) to permit certain Government employees to elect to receive compensation in accordance with section 401 of the Federal Employees Pay Act of 1945 in lieu of certain compensation at a saved rate, and for other purposes.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 208 of the Federal Employees Pay Act Amendments of 1954 (title II of the Act of September 1, 1954; 68 Stat. 1111; Public Law 763, Eighty-third Congress) is amended by adding at the end thereof the following new subsection:

"(c)(1) Each employee who—

"(A) is on the rolls on the date of enactment of this subsection,

"(B) is within any class of employees described in subparagraph (1) or subparagraph

(2) of section 401 of the Federal Employees Pay Act of 1945, as amended (5 U.S.C. 926), and

"(C) is receiving aggregate compensation at a saved rate by reason of subsection (b) of this section, may elect, in his discretion, by written request to the appropriate authority concerned, to receive basic compensation for his position in accordance with law and premium compensation under such subparagraph (1) or such subparagraph (2), as applicable, in lieu of aggregate compensation at a saved rate by reason of subsection (b) of this section.

"(2) All such elections made by employees prior to the date of enactment of this subsection, and payments of compensation pursuant to such elections, which would have been authorized under paragraph (1) of this subsection if such paragraph had been in effect at the times when such elections and payments were made are hereby authorized and validated to the same extent as if such paragraph had been in effect at such times.".

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

## PRINCE GEORGES COUNTY SCHOOL BOARD, MARYLAND

The Clerk called the bill (H.R. 6759) for the relief of the Prince Georges County School Board, Maryland.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I note in the report that the Air Force is very much opposed to this legislation. I read one sentence—I do not care to take a great amount of time of the House, but this is simply to explain the reason why I will ask to have this bill put over. I want to read one sentence which appears on page 5 of the report in which the Air Force says as follows:

In 1957, with full knowledge of jet aircraft activity at Andrews Air Force Base, the Prince Georges County School Board saw fit to authorize expenditure of funds to expand the school facilities at the Forestville Elementary School.

In the light of that I do not see how we can on a Unanimous Consent Calendar, enact legislation here which will undoubtedly result in a substantial payout of Federal funds to this school district in Maryland. I have no doubt that there is a lot of noise around Andrews Field, but we should not, by unanimous consent, pass a bill that may well establish a precedent, with little debate, providing that the Federal Government pay to school districts the full costs of moving schools, and so on and so forth. I am convinced that this school district ought to go first to the Federal courts rather than to Congress for a remedy.

Mr. Speaker, I do not care to prolong this statement, because I know what I am going to do.

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

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

There was no objection.

## AMENDMENT OF THE ACT OF APRIL 29, 1941, AS AMENDED, TO AUTHORIZE ANY FEDERAL AGENCY TO WAIVE PERFORMANCE AND PAYMENT BONDS

The Clerk called the bill (H.R. 8741) to amend the Act of April 29, 1941, as amended to authorize any Federal agency to waive performance and payment bonds, and for other purposes.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act of April 29, 1941, 55 Stat. 147, as amended (40 U.S.C. 270e), is hereby amended by—

(a) striking out the word "or" before "the Secretary of the Treasury" and before "Coast Guard";

(b) adding a comma and "or the head of any other Federal agency" after "the Secretary of the Treasury";

(c) adding "or any Federal agency," after "Coast Guard,"; and

(d) adding at the end thereof the following new sentence: "The term 'Federal agency', as used in this Act, means any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation, or any establishment in the legislative or judicial branch of the Government."

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

## SETTLEMENT OF AIR FORCE CRASH CLAIMS

The Clerk called the bill (H.R. 8958) to remove the present $5,000 limitation which prevents the Secretary of the Air Force from settling certain claims arising out of the crash of a U.S. Air Force aircraft at Midwest City, Okla.

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the $5,000 limitation contained in section 2733 of title 10, United States Code, shall not apply with respect to claims arising out of the crash of a United States Air Force aircraft at Midwest City, Oklahoma, on August 25, 1961.

SEC. 2. With respect to claims filed as a result of an aircraft crash described in the first section of this Act, the Secretary of the Air Force shall, within thirty months after the date of the enactment of this Act, report to Congress on—

(1) each claim settled and paid by him under this Act with a brief statement concerning the character and equity of each such claim, the amount claimed, and the amount approved and paid; and

(2) each claim submitted under this Act which has not been settled, with supporting papers and a statement of findings of facts and recommendations with respect to each such claim.

SEC. 3. Payments made pursuant to this Act for death, personal injury, and property loss claims, shall not be subject to insurance subrogation claims in any respect. No payments made pursuant to this Act shall include any amount for reimbursement to any insurance company or compensation insurance fund for loss payments made by such company or fund.

SEC. 4. No part of the amounts awarded under this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

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

The SPEAKER pro tempore. Pursuant to previous order of the House, the Clerk will now read H.R. 4934 on Consent Calendar No. 318.

## RENEGOTIATION OF COMMERCIAL LEASES

The Clerk called the bill (H.R. 4934) to authorize the Secretary of Agriculture to modify certain leases entered into for the provision of recreation facilities in reservoir areas.

Mr. GROSS. Mr. Speaker, reserving the right to object, it is my understanding that this bill was passed and signed by the President and therefore there is nothing to consider so far as this bill is concerned.

The SPEAKER pro tempore. Will the gentleman ask unanimous consent that it be passed over without prejudice?

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

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

There was no objection.

The SPEAKER pro tempore. That completes the call of the bills on the Consent Calendar eligible for consideration today.

## PRIVILEGED COMMUNICATIONS MADE TO ANY MINISTER OF RELIGION IN DISTRICT OF COLUMBIA

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5486) to prohibit the examination in District of Columbia courts of any minister of religion in connection with any communication made to him in his professional capacity without the consent of the party to such communication, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out lines 3 and 4 and insert: "That no priest, clergyman, rabbi, or other duly licensed, ordained, or consecrated".

Page 1, line 5, after "religion" insert: "authorized to perform a marriage ceremony in the District of Columbia or duly accredited practitioner of Christian Science".

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

## DISTRICT OF COLUMBIA SALES TAX ACT

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 258) 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, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference with the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina? The Chair hears none, and without objection, appoints the following conferees: Messrs. McMILLAN, BURKE of Kentucky, and BROYHILL.

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## EXTENSION OF PUBLIC LAWS 815 AND 874

Mr. BAILEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2393) to extend for 2 additional years the expired provisions of Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958, and for other purposes.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE I—EXTENSION OF PUBLIC LAWS 815 AND 874, EIGHTY-FIRST CONGRESS

*Amendments to Public Law 815*

SEC. 101. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1963".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1963", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu thereof "1960–1961".

*Amendments to Public Law 874*

SEC. 102. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each place where it appears in section 2(a), 3(b), and 4(a) and inserting "1963" in lieu thereof in each such place.

*Effective date*

SEC. 103. The amendments made by this title shall be effective for the period beginning July 1, 1961.

TITLE II—EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF *1958*

*Amendments to title II (loans to students in institutions of higher education)*

SEC. 201. (a) Section 201 of the National Defense Education Act of 1958 is amended by striking out "for the fiscal year ending June 30, 1962, and such sums for the fiscal year ending June 30, 1963, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1962" and inserting in lieu thereof the following: "each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years, and such sums for the fiscal year ending June 30, 1965, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1964".

(b) Section 202 of such Act is amended by striking out "1962" each place where it appears therein and inserting in lieu thereof "1964".

(c) Section 206 of such Act is amended by striking out "1962" each place where it appears therein and inserting in lieu thereof "1968".

*Amendments to title III (financial assistance for strengthening science, mathematics, and modern foreign language instruction)*

SEC. 202. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" both places where it appears therein and inserting in lieu thereof "five succeeding fiscal years".

(b) The last sentence of section 302(a)(2) of such Act is amended by striking out "two fiscal years in the period beginning July 1, 1960, and ending June 30, 1962" and inserting in lieu thereof the following: "four fiscal years in the period beginning July 1, 1960, and ending June 30, 1964".

(c) The second sentence of section 304(b) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

*Amendment to title IV (national defense fellowships)*

SEC. 203. Section 402 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendments to title V (guidance, counseling, and testing; identification and encouragement of able students)*

SEC. 204. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(b) The second sentence of section 504(a) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

(c) The first sentence of section 504(b) of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(d) The first sentence of section 511 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendments to title VI (language development)*

SEC. 205. (a) Section 601 of the National Defense Education Act of 1958 is amended by striking out "1962" both places where it appears therein and inserting in lieu thereof "1964".

(b) Section 611 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendment to title VII (research and experimentation in more effective utilization of educational media)*

SEC. 206. Section 763 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendment to title VIII (area vocational education programs)*

SEC. 207. Section 301 of the Vocational Education Act of 1946 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendment to section 1009 (improvement of statistical services)*

SEC. 208. Section 1009(a) of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second only for the purpose of assuring debate on this bill.

Mr. KEARNS. Mr. Speaker, as the ranking minority member, will the gentleman yield to me to demand a second?

Mr. GROSS. Mr. Speaker, I yield to the gentleman from Pennsylvania.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BAILEY. Mr. Speaker, on September 6, the House suspended the rules and passed by a vote of 378 to 32, the bill H.R. 9000. This bill extended for 2 years, without change, the so-called impacted areas aid to education program and the National Defense Education Act.

The other body, for reasons best known to itself, chose to act on its own bill, which I now bring before the House. As it was sent over to us, it is identical with the bill H.R. 9000 which we have already enacted. It is now necessary for the House to pass S. 2393 so that there is a bill with a common number to send forward to the White House.

Everyone is familiar with the contents of this bill. In effect, what we are doing today is ratifying what the House has already done in passing H.R. 9000 on September 6. I see no reason for any lengthy debate, Mr. Speaker. We are just confirming what the House has already done; that is, making a 2-year extension of Public Laws 815 and 874.

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

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

Mr. FRELINGHUYSEN. Several Members have asked just what this bill contains. I think the gentleman from West Virginia has already pointed out that this bill is identical with the action taken by the House when they passed H.R. 9000, which extends the National Defense Education Act and the so-called impacted area program. There is no change made by the other body that differentiates this bill from the one already passed by this body.

Mr. BAILEY. The gentleman from New Jersey is correct.

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

Mr. BAILEY. I yield.

Mr. HOFFMAN of Michigan. Is it one of the purposes of this bill to delay the overall action on the educational program?

Mr. BAILEY. I yield to the gentleman from New Jersey [Mr. THOMPSON] to answer the question.

Mr. THOMPSON of New Jersey. The answer is in the negative. Public Laws 815 and 784 expired. The consensus was that the National Defense Education Act, particularly title II, the loan sec-

tion, should be continued for 2 years. It has no connection whatsoever with the matter to which the gentleman refers.

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

Mr. THOMPSON of New Jersey. I yield.

Mr. HOFFMAN of Michigan. There was some rumor that we extended it 2 years so that next year Congress would not bring in a bill on Federal aid to education. Is that right?

Mr. THOMPSON of New Jersey. It has been a rumor, but the rumor is baseless. Any law can be brought up for amendment at any time, which would make without foundation the rumor to which the gentleman alludes.

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

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

Mr. KEARNS. I cannot understand why the Democratic Party leadcrship has not brought up a bill which I introduced some time ago dealing with the provision of higher facilities, when we have continued the impacted area legislation and the National Defense Education Act for 2 years.

Mr. THOMPSON of New Jersey. I think I could answer that, if the gentleman from West Virginia will yield. The majority of the House refused to vote for consideration of the proposal when it was brought forth. The gentleman from Pennsylvania is aware, I am sure, that had the House voted for consideration it would have been the same as being before the House with an open rule, and the gentleman from Pennsylvania could have offered his bill as a substitute. I do not know whether or not the gentleman voted to consider, but if he voted in the negative he voted to deprive himself of the opportunity to offer that fine bill to which he refers. He also voted against all school construction.

Mr. KEARNS. It would have been a very easy thing for the Democratic leadership to have included the higher facilities in this bill.

Mr. THOMPSON of New Jersey. What the leadership wanted was to give the House the opportunity to work its will. The House worked its will and in so doing denied the gentleman from Pennsylvania the opportunity to offer his bill as a substitute or as an amendment. As a matter of fact the gentleman from Pennsylvania voted himself against considering his own or anyone else's school construction bill.

Mr. KEARNS. Now we will not have a chance to consider it for 2 years.

Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, I take this time to ask the gentleman from West Virginia several questions in regard to the bill which was placed on our desks today. The title of this bill, copies of which were distributed here, alludes to a 1-year temporary extension of the impacted aid to education bill.

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

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



Mr. HALLECK. When I looked at the bill I had the same concern the gentleman has, so I went to the desk and there learned that the engrossed bill is over from the other body with a 2-year extension. That, of course, is the one we are acting on.

Mr. LAIRD. I wanted to make it very clear, because the bill that has been distributed to the House today is certainly not the bill that I understood had been passed by the Senate; is that correct?

Mr. BAILEY. Mr. Speaker, if the gentleman will yield, I am pleased to have the gentleman clarify this particular point, and I am glad to have the gentleman from Indiana clarify it. The bill we are considering is S. 2393, which provides for a 2-year extension of both Public Laws 815 and 874.

Mr. LAIRD. The copies that were distributed here are copies of another bill.

Mr. HALLECK. Mr. Speaker, if the gentleman will yield further, I discovered this when I got into the matter. The copies of S. 2393 that have been distributed do not indicate that that bill had been passed by the Senate.

Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HALLECK. The copies of S. 2393 which have been distributed seem to provide and do provide for a 1-year extension. My information is that the copy of the engrossed bill as it passed the other body is at the desk, and I would like to inquire, if it is proper as a parliamentary inquiry, whether or not it does provide for a 2-year rather than a 1-year extension.

The SPEAKER pro tempore. In response to the gentleman's parliamentary inquiry, the bill S. 2393 which is at the Clerk's desk is identical with H.R. 8900 as it passed the House, and that had a 2-year extension.

Mr. HALLECK. That does provide for a 2-year extension. I thank the gentleman.

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

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

Mr. FRELINGHUYSEN. It is my understanding that the bill as it came from the committee in the other body did provide for a 1-year extension, as indicated in the copies made available to the Members, but because of action taken on the floor, an extension was approved for a 2-year period. There was a difference of opinion whether it should be a 1-year or 2-year extension. Formal action already taken by the other body provides for a 2-year extension, as does the bill already approved by this House.

Mr. LAIRD. I think the confusion has been cleared up here, I thought it was important before we acted to make perfectly clear what we were acting on. I am opposed to the reenactment of the impacted aid bill with its present inequitable distribution formula. The schools needing the most help because of Federal impact are not given it but the area surrounding Washington is given more help than it deserves.

Now I would like to ask another question, and that has to do with the reason why the House bill H.R. 8900 was not enacted by the other body?

I yield to the gentleman from West Virginia.

Mr. BAILEY. In my preliminary statement when I moved action on this bill, I referred to the fact that for some unknown reason the other body saw fit to substitute its own bill.

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

Mr. LAIRD. I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Speaker, I would like to ask, the time not to be taken out of that yielded to the gentleman from Wisconsin, that the Clerk again read the enrolled Senate bill so the Members will know exactly what is before the House. The bill is short.

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

Mr. THOMPSON of New Jersey. Mr. Speaker, reserving the right to object, it is a brief bill, but I think the gentleman can be satisfied with the assurance that it is precisely the bill that passed the House with a 2-year extension of the amendments to Public Laws 815 and 874 and of the National Defense Education Act.

Mr. Speaker, I withdraw my objection.

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

There was no objection.

The Clerk read as follows:

S. 2393

An Act to extend for two additional years the expired provisions of Public Laws 815 and 874, Eighty-first Congress, and the National Defense Education Act of 1958, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE I—EXTENSION OF PUBLIC LAWS 815 AND 874, EIGHTY-FIRST CONGRESS

*Amendments to Public Law 815*

SEC. 101. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1963".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1963", and (2) by striking out "$40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958–1959" and inserting in lieu thereof "1960–1961".

*Amendments to Public Law 874*

SEC. 102. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out "1961" each place where it appears in sections 2(a), 3(b), and 4(a) and inserting "1963" in lieu thereof in each such place.

*Effective date*

SEC. 103. The amendments made by this title shall be effective for the period beginning July 1, 1961.

TITLE II—EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958

*Amendments to title II (loans to students in institutions of higher education)*

SEC. 201. (a) Section 201 of the National Defense Education Act of 1958 is amended

by striking out "for the fiscal year ending June 30, 1962, and such sums for the fiscal year ending June 30, 1963, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1962" and inserting in lieu thereof the following: "each for the fiscal year ending June 30, 1962, and for the two succeeding fiscal years, and such sums for the fiscal year ending June 30, 1965, and each of the three succeeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1964".

(b) Section 202 of such Act is amended by striking out "1962" each place where it appears therein and inserting in lieu thereof "1964".

(c) Section 206 of such Act is amended by striking out "1966" each place where it appears therein and inserting in lieu thereof "1968".

*Amendments to title III (financial assistance for strengthening science, mathematics, and modern foreign language instruction)*

SEC. 202. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" both places where it appears therein and inserting in lieu thereof "five succeeding fiscal years".

(b) The last sentence of section 302(a)(2) of such Act is amended by striking out "two fiscal years in the period beginning July 1, 1960, and ending June 30, 1962" and inserting in lieu thereof the following: "four fiscal years in the period beginning July 1, 1960, and ending June 30, 1964".

(c) The second sentence of section 304(b) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

*Amendment to title IV (national defense fellowships)*

SEC. 203. Section 402 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendments to title V (guidance, counseling, and testing; identification and encouragement of able students)*

SEC. 204. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(b) The second sentence of section 504(a) of such Act is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "four succeeding fiscal years".

(c) The first sentence of section 504(b) of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

(d) The first sentence of section 511 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendments to title VI (language development)*

SEC. 205. (a) Section 601 of the National Defense Education Act of 1958 is amended by striking out "1962" both places where it appears therein and inserting in lieu thereof "1964".

(b) Section 611 of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendment to title VII (research and experimentation in more effective utilization of educational media)*

SEC. 206. Section 763 of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendment to title VIII (area vocational education programs)*

SEC. 207. Section 301 of the Vocational Education Act of 1946 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

*Amendment to section 1009 (improvement of statistical services)*

SEC. 208. Section 1009 (a) of the National Defense Education Act of 1958 is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "five succeeding fiscal years".

Mr. KEARNS (interrupting reading of the bill). Mr. Speaker, I ask unanimous consent that the bill be considered as read, and I move its adoption.

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

Mr. CRAMER. Reserving the right to object, I do not object to the reading aspect of the request, but there may be some additional questions with regard to moving the previous question on suspension. I would like to ask in reserving the right to object, what, if any, amendments to title 2 there were in the Senate bill, the title now being read, which does not appear in the bill which we have at the desk at the present time available to Members?

Mr. BAILEY. There were none.

Mr. CRAMER. The same wording as in the House version?

Mr. BAILEY. That is right.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania that the remainder of the bill be considered as read?

There was no objection.

Mr. ALGER. Mr. Speaker, I realize that, generally speaking, Federal aid is needed in schools in impacted areas, and I have supported this in the past and shall today approve this program. However, I am aware that there are excesses in this program where Federal money is sought and obtained simply because it is available and not because it is needed.

I feel that there are examples of this in the Washington area where salaries are high and parents can well afford to pay for the education of their children without accepting Federal aid. It is my hope that citizens everywhere and my colleagues will join in eliminating abuses in order to restrict, not expand, this particular type of Federal aid for education.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken.

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

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and eighty Members are present, not a quorum.

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

The question was taken; and there were—yeas 342, nays 18, not voting 75, as follows:

[Roll No. 210]

YEAS—342

| | | |
|---|---|---|
| Abbitt | Evins | McDowell |
| Abernethy | Fallon | McFall |
| Adair | Farbstein | McIntire |
| Addabbo | Fenton | McMillan |
| Addonizio | Findley | McVey |
| Albert | Finnegan | Macdonald |
| Alexander | Fino | MacGregor |
| Alford | Fisher | Mack |
| Alger | Flood | Madden |
| Andersen, Minn. | Flynt | Magnuson |
| Anderson, Ill. | Fogarty | Mahon |
| Andrews | Forrester | Mailliard |
| Ashbrook | Fountain | Marshall |
| Ashmore | Frelinhuysen | Martin, Mass. |
| Aspinall | Friedel | Mason |
| Auchincloss | Fulton | Mathias |
| Avery | Gallagher | Matthews |
| Bailey | Garland | May |
| Baker | Garmatz | Meader |
| Baldwin | Gary | Merrow |
| Baring | Gathings | Michel |
| Barrett | Gavin | Miller, Clem |
| Barry | Gilbert | Miller, George P. |
| Bass, Tenn. | Glenn | Miller, N.Y. |
| Bates | Goodling | Milliken |
| Battin | Granahan | Mills |
| Becker | Grant | Moeller |
| Beckworth | Green, Pa. | Montoya |
| Beermann | Griffin | Moore |
| Belcher | Griffiths | Moorehead, Ohio |
| Bennett, Fla. | Gubser | Moorhead, Pa. |
| Bennett, Mich. | Hagan, Ga. | Morgan |
| Betts | Hagen, Calif. | Morris |
| Blatnik | Haley | Morrison |
| Blitch | Halleck | Morse |
| Boland | Halpern | Mosher |
| Bolling | Hansen | Moss |
| Bolton | Harding | Murphy |
| Bonner | Hardy | Murray |
| Bow | Harris | Natcher |
| Boykin | Harrison, Wyo. | Nelsen |
| Brademas | Harsha | Nix |
| Bray | Harvey, Ind. | Norblad |
| Breeding | Harvey, Mich. | Nygaard |
| Brewster | Healey | O'Brien, Ill. |
| Bromwell | Hechler | O'Brien, N.Y. |
| Broomfield | Hemphill | O'Hara, Ill. |
| Brown | Henderson | O'Hara, Mich. |
| Broyhill | Herlong | Olsen |
| Bruce | Hiestand | O'Neill |
| Burke, Ky. | Hoffman, Ill. | Osmers |
| Burke, Mass. | Hoffman, Mich. | Ostertag |
| Burleson | Holifield | Patman |
| Byrne, Pa. | Holland | Perkins |
| Cahill | Horan | Peterson |
| Cannon | Hosmer | Philbin |
| Cederberg | Huddleston | Pike |
| Chamberlain | Hull | Pillion |
| Chelf | Ichord, Mo. | Poage |
| Chenoweth | Ikard, Tex. | Poff |
| Chiperfield | Inouye | Price |
| Church | Jarman | Pucinski |
| Clark | Jennings | Quie |
| Cohelan | Jensen | Randall |
| Collier | Joelson | Ray |
| Conte | Johnson, Md. | Reece |
| Cook | Jonas | Reifel |
| Corbett | Jones, Ala. | Rhodes, Ariz. |
| Cramer | Judd | Rhodes, Pa. |
| Cunningham | Karsten | Riehlman |
| Curtin | Karth | Riley |
| Curtis, Mass. | Kastenmeier | Rivers, Alaska |
| Curtis, Mo. | Kearns | Rivers, S.C. |
| Daddario | Kee | Roberts |
| Daniels | Keith | Robison |
| Davis, James C. | Kelly | Rodino |
| Davis, John W. | Keogh | Rogers, Colo. |
| Davis, Tenn. | Kilday | Rogers, Fla. |
| Dawson | Kilgore | Rooney |
| Delaney | King, Calif. | Rostenkowski |
| Dent | King, N.Y. | Roudebush |
| Denton | King, Utah | Roush |
| Derounian | Kirwan | Rousselot |
| Devine | Kitchin | Rutherford |
| Diggs | Knox | Ryan |
| Dole | Kornegay | St. Germain |
| Dominick | Kowalski | Schadeberg |
| Donohue | Kunkel | Schenck |
| Dorn | Kyl | Schneebeli |
| Dowdy | Landrum | Schweiker |
| Downing | Lane | Scott |
| Doyle | Langen | Scranton |
| Durno | Lankford | Seely-Brown |
| Dwyer | Latta | Selden |
| Edmondson | Lesinski | Sheppard |
| Elliott | Libonati | Shipley |
| Ellsworth | Lindsay | Short |
| Everett | Lipscomb | Shriver |
| | Loser | |
| | McCulloch | |

| | | |
|---|---|---|
| Sibal | Thompson, N.J. | Whalley |
| Sikes | Thomson, Wis. | Wharton |
| Sisk | Thornberry | Whitener |
| Smith, Calif. | Toll | Whitten |
| Smith, Miss. | Tollefson | Wickersham |
| Smith, Va. | Trimble | Widnall |
| Spence | Tuck | Williams |
| Springer | Tupper | Willis |
| Stafford | Ullman | Wilson, Calif. |
| Steed | Utt | Wilson, Ind. |
| Stephens | Vanik | Winstead |
| Stratton | Van Pelt | Wright |
| Stubblefield | Van Zandt | Zablocki |
| Sullivan | Wallhauser | Zelenko |
| Taylor | Walter | |
| Teague, Tex. | Watts | |

NAYS—18

| | | |
|---|---|---|
| Ashley | Giaimo | O'Konski |
| Clancy | Green, Oreg. | Saylor |
| Corman | Gross | Scherer |
| Dingell | Hays | Smith, Iowa |
| Fascell | Johansen | Taber |
| Feighan | Laird | Udall, Morris K. |

NOT VOTING—75

| | | |
|---|---|---|
| Anfuso | Harrison, Va. | Rabaut |
| Arends | Hébert | Rains |
| Ayres | Hoeven | Reuss |
| Bass, N.H. | Holtzman | Rogers, Tex. |
| Bell | Johnson, Calif. | Roosevelt |
| Berry | Johnson, Wis. | St. George |
| Boggs | Jones, Mo. | Santangelo |
| Brooks | Kilburn | Saund |
| Buckley | Kluczynski | Schwengel |
| Byrnes, Wis. | Lennon | Shelley |
| Carey | McCormack | Siler |
| Casey | McDonough | Slack |
| Celler | McSween | Staggers |
| Coad | Martin, Nebr. | Teague, Calif. |
| Colmer | Minshall | Thomas |
| Cooley | Monagan | Thompson, La. |
| Dague | Moulder | Thompson, Tex. |
| Derwinski | Multer | Vinson |
| Dooley | Norrell | Weaver |
| Dulski | Passman | Weis |
| Ford | Pelly | Westland |
| Frazier | Pfost | Yates |
| Goodell | Pilcher | Young |
| Gray | Pirnie | Younger |
| Hall | Powell | |

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

The Clerk announced the following pairs:

On this vote:

Mr. Anfuso and Mr. Multer for, with Mr. Byrnes of Wisconsin against.

Mr. Frazier and Mr. Colmer for, with Mr. Hébert against.

Mr. Brooks and Mr. Powell for, with Mr. Harrison of Virginia against.

Mr. McCormack and Mr. Bell for, with Mr. Roosevelt against.

Until further notice:

Mr. Thompson of Louisiana with Mr. Arends.

Mr. Thompson of Texas with Mr. Schwengel.

Mr. Lennon with Mr. Martin of Nebraska.

Mr. Boggs with Mr. Teague of California.

Mr. Monagan with Mr. Derwinski.

Mrs. Norrell with Mr. Weaver.

Mr. Pilcher with Mr. Pirnie.

Mr. Shelley with Mr. Dooley.

Mr. Rains with Mr. Goodell.

Mr. Reuss with Mr. Kilburn.

Mr. Dulski with Mr. Hoeven.

Mr. Johnson of Wisconsin with Mr. Siler.

Mr. Yates with Mr. Ford.

Mr. Moulder with Mr. Berry.

Mr. Rabaut with Mr. Bass of New Hampshire.

Mr. Rogers of Texas with Mrs. Weis.

Mr. Cooley with Mr. Ayres.

Mr. Thomas with Mr. Younger.

Mr. Johnson of California with Mr. McDonough.

Mr. Kluczynski with Mr. Minshall.

Mr. Santangelo with Mr. Hall.

Mr. Holtzman with Mr. Westland.

Mr. Buckley with Mr. Pelly.

Mrs. Pfost with Mrs. St. George.

A motion to reconsider was laid on the table.

## LONGEVITY STEP INCREASES FOR POSTAL EMPLOYEES

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1459) to amend the provisions of law relating to longevity step increases for postal employees.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsections (a) and (b) of section 3558 of title 39 of the United States Code are amended to read as follows:

"(a) There are established for each employee longevity steps A, B, and C. For each longevity step to which he is entitled—

"(1) each employee, other than a postmaster at a post office of the fourth class or a rural carrier, shall receive an amount equal to one step increase for his position,

"(2) each rural carrier shall receive an amount equal to one step increase for salary level PFS–4, and

"(3) each postmaster at a post office of the fourth class shall receive an amount equal to one step increase for salary level PFS–1 or to 6 per centum of his basic salary, whichever is the lesser.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

"(b) Each employee shall be assigned to—

"(1) longevity step A at the beginning of the pay period following the completion of ten years of service; and

"(2) longevity step B at the beginning of the pay period following the completion of thirteen years of service; and

"(3) longevity step C at the beginning of the pay period following the completion of sixteen years of service."

SEC. 2. No increase in compensation shall result from the amendment made by this Act prior to the first day of the first pay period following the date of its enactment.

The SPEAKER pro tempore. Is a second demanded?

Mr. TOLLEFSON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Tennessee is recognized for 20 minutes.

Mr. MURRAY. Mr. Speaker, I yield 6 minutes to the gentlewoman from Pennsylvania [Mrs. GRANAHAN].

Mrs. GRANAHAN. Mr. Speaker, it is the purpose of S. 1459 to establish a more equitable method for granting longevity step increases for postal employees as a reward for long and faithful postal service. This legislation will make two basic changes in existing law.

First, S. 1459 will establish the principle that longevity grades should be equal to step increases provided by law for the various levels of the postal field service. Such longevity increases in an amount equal to step increases already have been made a part of the Classification Act longevity step increase system. I believe it is right and proper that the same principle should now be extended to the postal field service. The longevity increases presently prescribed for postal employees are $100 for each of the three longevity steps. Under this legislation the longevity step increases will be $130 in level 1; $135 in level 2; $145 in level 3; and $160 in level 4; and so on up to the top level. Approximately two-thirds of all postal employees, including clerks and carriers, are in level 4.

Second, S. 1459 will establish the concept that longevity pay should begin after 10 years of service rather than after 13 years of service, and that intervals between step increases for longevity purposes should be uniformly set at 3 years instead of growing progressively broader as the years of service increase. Present law provides that postal employees shall receive longevity increases after 13, 18, and 25 years of service.

The postal employee normally reaches step 7, the top automatic step of his level, after the completion of 6 years of service. This means that he must wait an additional 7 years before reaching his first longevity increase; then he must wait an additional 5 years before reaching a second increase; and finally, an additional 7 years before reaching a third increase.

By beginning the first longevity increase after 10 years of service, the second after 13 years, and the third after 16 years, the intervals will be spaced with uniformity. This legislation would assure postal employees that they could anticipate longevity increases at 3-year intervals after having reached their top automatic step in a particular level.

Open hearings were held on this proposal and all witnesses who wished to appear and testify were heard. The sponsors of the House bills and all the witnesses except representatives of the Post Office Department favor enactment of S. 1459, as passed by the Senate. The Post Office Department opposes enactment.

The main objection of the Post Office Department is that it would be better not to make any basic changes in the postal compensation system at the present time, but that we should wait until basic reconciliations can be effected between the postal service system and the Classification Act system as a matter of Government policy.

Mr. Speaker, this same argument by the executive branch has been repeated over and over again almost every time a proposal is made for a forward looking reform in our Federal compensation system. The Federal Government has been playing a foot-dragging role with its employees for the past several years. I believe the time has come for us to begin playing the pace-setting role again.

Obviously there is some merit in the desire to equate the two pay systems, but I do not believe there is any justification for delaying enactment of this legislation for this reason. The estimates of the annual cost of this worthwhile employee benefit run all the way from $45 to $60.8 million. I believe the employee benefits proposed by this bill more than justify this cost.

Mr. Speaker, this bill received very favorable consideration in our committee and I am sure it will receive favorable consideration here today.

Mr. LANE. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Speaker, the Congress of the United States should be ever vigilant to do justice and see that it is done; to correct inequities whenever they appear. S. 1459 is a bill intended to correct an inequitable situation that adversely affects a large segment of devoted Government employees, namely, postal clerks and carriers, in excess of 80 percent of whom spend all their working lives in one salary level while other Federal employees who come under the Classification Act advance to other salary levels.

This bill will equate, to a degree, those postal employees who are in the postal field service with other Federal employees who commence rendering their services at the same time and at an equal starting salary.

While employees under the Classification Act are granted longevity step salary increases with 10, 13, and 16 years of service, postal employees are granted such increases only with 13, 18, and 25 years of service, and the amounts are not the same.

When a comparison of figures is made between employees in the Post Office field service level 4 and employees under the Classification Act grade 5, the inequities are obvious and the necessity for correcting them are compelling. The figures are set forth in a letter I received from the United Federation of Postal Clerks, which letter, without objection, I submit at this place in my remarks.

Therefore, I urge favorable action on this very meritorious legislation.

SEPTEMBER 16, 1961.

MY DEAR CONGRESSMAN: Please accept my apologies for sending you a mimeographed letter. However, the time element precludes addressing a personal one to you.

As you probably know, Report No. 1191 was filed Friday on S. 1459. It is expected to come up under a suspension of rules on Monday, September 18. Postal employees will appreciate your support of S. 1459 without amendment. Any amendments at this time would only delay the bill to the extent that there would be no hope of passage. The issue, in this instance, is the correction of an inequity that exists between postal and Federal longevity grades and is long overdue. We would appreciate your noting the following salary levels as listed:

| Step | Post office field service, level 4 | Classification Act, grade 5 |
|---|---|---|
| 1 | $4,345 | $4,345 |
| 2 | 4,505 | 4,510 |
| 3 | 4,665 | 4,675 |
| 4 | 4,825 | 4,840 |
| 5 | 4,985 | 5,005 |
| 6 | 5,145 | 5,170 |
| 7 | 5,305 | 5,335 |
| Longevity: | | |
| 7A | 5,405 | 5,500 |
| 7B | 5,505 | 5,965 |
| 7C | 5,605 | 5,830 |

Post office clerks and letter carriers are all in level 4 of the postal field service salary level, a corresponding level to the Classification Act, grade 5. They both start at exactly the same salary but in the longevity grades there is considerable variance. Postal employees in the longevity grades receive an increase of $100, while Federal employees receive an in-step increase. It is worthy of note that in excess of 80 percent of post office clerks and letter carriers spend all of their working life in the one salary level, while classified employees advance to other salary levels.

We have appreciated your support in the past, and will further appreciate it now in the passage of S. 1459, without amendment.

Sincerely yours,

JOHN F. O'CONNOR,
*Legislative Director, UFPC.*

Mr. ALBERT. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, may I commend the gentlewoman and her subcommittee of the Committee on Post Office and Civil Service for the fine job they have done on this matter. The gentlewoman has shown a high quality of leadership during her service on the committee and the entire House is indebted to her.

Mrs. GRANAHAN. I thank the gentleman.

Mr. HALPERN. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from New York.

Mr. HALPERN. I, too, would like to commend the gentlewoman for the splendid, indeed, superb job she has done in connection with this long-overdue, vitally needed legislation. I trust it will win the full support of every Member of this House.

Mr. FULTON. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I wish to compliment the gentlewoman for her enthusiasm. I favor and support this postal longevity legislation, which is beneficial to the postal employees of our Government, who give good and faithful service over a period of years. Long time good service of postal employees merits adequate longevity law provisions as a matter of decent and fair treatment. This is a must for Congress to provide.

Mr. Speaker, this bill received very favorable consideration in the Post Office and Civil Service Committee, and I recommend that it receive the same type of consideration on the floor of the House.

Mr. JOHANSEN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Speaker, I rise in support of S. 1459. I served on the subcommittee under the able chairmanship of the gentlewoman from Pennsylvania [Mrs. GRANAHAN]. I believe that it should be the aim of all Members of the House and the Senate to treat all Federal employees equally and fairly.

Mr. Speaker, this fair treatment includes pay, and leave, and fringe benefits as well. Private enterprise, of course, has ways of rewarding people for long service. Private enterprise can give bonuses, or longer vacations, or in other ways can reward people who have served well and ably.

Mr. Speaker, it is a fact that the postal service employees, most of them, are in level 4. I think the figures in regard to this are rather interesting. Of a total of 505,000 postal employees, 425,000 of them are in level 4, or below. They are frozen at this level. Rarely do they ever have the opportunity to move to higher levels. So, therefore, longevity pay is very important to them.

Mr. Speaker, what began back in 1945 when the law was originally enacted and amended in 1949 as an inconsistency has now become a rank injustice and I think it should be corrected. Improved standards of living and increases in cost of living have squeezed the original $100 increase down to a point where it is only worth a fraction of what it was back in those years. Of course, it is a fact that money necessary for a family of four on the average was 40 percent higher in 1959 than it was in 1950. I believe also that adjusting the longevity rates will aid in recruitment in the postal service, because it will make it more attractive for those desiring to go into this wonderful service to do so. They will know that they will be treated fairly, as will the classified employees.

Mr. Speaker, I say to you that this House has an obligation, in my judgment, to the postal field employees, and I hope we will act responsibly and favor this legislation.

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

Mr. WALLHAUSER. I yield to the gentleman from New York.

Mr. BARRY. Mr. Speaker, I want to commend the gentleman from New Jersey [Mr. WALLHAUSER] for his excellent presentation and say that I, too, served on the Postal Operations Subcommittee and join wholeheartedly with him and other members of the committee in urging favorable consideration of S. 1459. This legislation received overwhelming support in the Senate and was supported by a large majority of our committee.

The purpose of this bill is to place postal employees on a comparable basis with Federal employees subject to the Classification Act with respect to the period of service required for longevity step increases.

Employees whose compensation is fixed by the Classification Act receive longevity increases after 10, 13, and 16 years of service in the same grade in an amount equal to the regular within-step increase of the grade. Within-step increases start at $105 in grade GS–1 and increase with each higher grade to a maximum of $260 at the top.

In the postal field service, however, employees receive longevity increases in the fixed amount of $100 after 13, 18, and 25 years of service.

This legislation will correct this inequity by providing that longevity increases for postal employees will be in the same amount as the regular periodic within-step increases of the various pay levels. For example, in level 4, which includes most postal employees, the within-step increase is $160.

The other major change to be made by this bill is to reduce the service requirement for longevity increases from 13, 18, and 25 years to 10, 13, and 16 years in order to correspond with the 10,

13, and 16 years within-grade requirement under the Classification Act.

In the postal service over two-thirds of the employees are in level 4 with little or no opportunity to be promoted to a higher level. In the Classification Act system, on the other hand, most employees can expect to be promoted systematically to one of the higher grades. The postal employees who enter the service as clerks or carriers in level 4, with few exceptions will remain in level 4 for the entire period of their careers in the postal service. Hence, the only equitable way for establishing a true system of longevity for these employees is to award the longevity increases on the basis of total service in the postal service.

Mr. Speaker, since this bill has received such overwhelming support in the Senate and in our committee, I am sure it will receive the same support here on the floor of the House today.

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

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

Mr. GROSS. Mr. Speaker, there is an inequity in this situation that ought to be taken care of. I suspect the argument will be made that this will cost some money; that we should have a postal rate increase precedent to the enactment of this legislation.

Mr. Speaker, I am one who has never placed consideration of postal workers' salaries on the basis of revenue of the Post Office Department. We do not apply that rule anywhere else in Government, and I refuse to apply it in this instance, or any other, in connection with postal workers.

Mr. Speaker, I commend the gentleman for his position and I support it.

Mr. WALLHAUSER. I thank the gentleman from Iowa very much. I want to say to the gentleman from Iowa that his word is very weighty in this case and on our committee, and I think his favorable expression should be given full consideration.

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

Mr. WALLHAUSER. I yield to the gentleman.

Mr. COOK. Mr. Speaker, I rise in support of S. 1459 to amend the provisions of law relating to longevity step increases for postal employees.

I commend the Committee on Post Office and Civil Service for reporting out this very important piece of legislation. It will establish a more equitable method for granting longevity step increases for postal field service employees as a reward for long and faithful service.

The legislation will make two basic changes in existing law: First, it will establish the principle that longevity step increases will be equal to step increases provided by existing law for the particular grade level. Under present law longevity step increase in an amount equal to grade step increases apply to other Government employees and I believe that this principle should be extended to the postal field service. Under this legislation the longevity step increases will be $130 in level 1; $135 in level 2; $145 in level 3; $160 in level 4, and so forth. Since approximately two-thirds of all postal employees, including clerks and carriers, are classified in level 4, this change will be of great significance to the postal employees.

Second, it is only fair that the longevity pay for postal employees should begin after 10 years of service instead of 13 years, as is the present ruling, and that the time lapses between step increases for longevity purposes should be set uniformly at 3 years instead of growing progressively broader as the amount of service increases under present law. Under this law, a postal employee whose postal service generally is all in one grade level, will be able to anticipate longevity increases at approximately 3-year intervals, after having reached the top automatic step of his particular level.

As a Member of Congress who is interested in supporting legislation that will equalize the postal workers with other Government workers in this field, I intend to vote for this important piece of legislation.

Mr. MURRAY. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Speaker, I am pleased that this bill, S. 1459, to correct an inequity in the law relating to longevity step increases for postal employees, has been scheduled for action today by the House. The enactment of this legislation is long overdue, and I urge my colleagues to approve the measure today so that it can become law as quickly as possible.

On March 30, 1961, I introduced a similar bill, H.R. 6092, but I believe the amendments which were adopted by the Senate and approved by the House Post Office and Civil Service Committee have strengthened the legislation.

The bill is designed to place postal employees on comparable basis with other Federal classified employees with respect to longevity increases. At the present time, Classification Act employees receive longevity increases after 10, 13, and 16 years' service in the same grade in an amount equal to the regular within-step increases of the grade. These within-step increases range from $105 in grade GS-1 to a maximum of $260 at the top.

In the postal field service, however, employees receive longevity increases in a fixed amount of $100 after 13, 18, and 25 years of service.

The bill corrects inequities in the present law in two respects: First, it provides longevity increases for postal employees after 10, 13, and 16 years of service in order to conform to present law relating to classified employees. Second, the bill provides that the amount of the longevity increase to be granted postal employees shall be the amount of the within-step increase which is the present law with respect to classified employees.

This means that for the vast majority of postal employees who are clerks and carriers the longevity increase will be $160 which is the within-step increase in level 4.

This inequity in the pay structure for postal employees which is being corrected today under the provisions of S. 1459 has existed for some time. In 1945 and again in 1949 when the step increases for postal employees in level 4 was $100 the longevity increases were set at $100 each. When the longevity bill for classified employees was passed, the longevity increases under their pay system was established at an amount equal to the step increase within the grade. All this bill does is to bring the postal employees pay structure for longevity increases in conformity to the longevity pay structure for classified employees.

Over two-thirds of the postal employees are in level 4 and most of them are clerks and carriers. The majority of these employees will stay in level 4 for the entire period of their postal service and most of them will never be afforded an opportunity for promotion to higher grades. Thus, there is a most compelling reason why this legislation is important and should be enacted at this time.

Unfortunately, the Post Office Department has expressed opposition to the enactment of this legislation. I do not believe the reasons given for opposing this legislation are meritorious and I urge the Members to approve this bill which will correct the injustices which I have cited.

Mr. JOHANSEN. Mr. Speaker, I yield such time as he may require to the gentleman from Ohio [Mr. HARSHA].

Mr. HARSHA. Mr. Speaker, I rise in support of S. 1459. It is inconceivable that the Congress would deliberately adopt two entirely different principles of remuneration for longevity in the same year, one for postal workers and one for classified employees, and yet this is exactly what Congress did.

To correct this inequity, this bill should be passed. Equality of pay treatment for all Federal employees is a worthwhile and just goal. That is all the postal employees are asking. This bill is but another step in that direction.

Federal employees who are compensated under the Classification Act receive longevity increases after fixed intervals in an amount equal to the regular within-step increase of the grade to which the position that they occupy is assigned. That, however, is not true in the case of postal employees. Postal employees under a pay provision established many years ago receive longevity increases at a fixed amount of $100. This creates a rather anomalous situation in addition to the discrimination involved as compared to the treatment received by employees under the Classification Act. The anomaly is as follows:

When an employee enters the postal service—let us say as a clerk at level 4, with a starting salary of $4,345 per annum—after the completion of 1 year's service, he received a periodic increase of $160 which raises his salary to $4,405 per annum. At the end of each additional year of service, he receives a similar periodic increase until he reaches the top of his grade.

Thereafter, the only thing he has to look forward to is the longevity increase at the end of 13 years of service, a second longevity increase at the end of 18 years of service, and a final longevity increase at the end of 25 years of service. Each such increase is a fixed amount of $100. This $100 is reduced by 6½ percent for

retirement purposes; further reduction is made for life insurance; and a further reduction is made for income tax purposes. After all of the reductions have been made, the employee receives the balance which amounts to something in the neighborhood of $2 a pay period or approximately $1 a week.

On the other hand, his counterpart under the Classification Act when he becomes entitled to a longevity increase receives the same amount as the step increase of his grade.

The bill upon which we are acting today corrects this situation by establishing the concept that longevity pay should begin after 10 years of service rather than after 13 years of service and that intervals between step increases for longevity purposes should be set uniformly at 3 years instead of growing progressively broader as the amount of service increases.

Present law provides that postal employees shall receive longevity step increases after 13, 18, and 25 years of service. The postal employee normally reaches step 7, the top automatic step of his level, after completion of 6 years of service.

This means that he must wait an additional 7 years before reaching his first longevity increase. He must wait an additional 5 years before reaching a second increase and finally an additional 7 years before reaching a third increase.

This legislation would assure a postal employee that he could anticipate longevity increases at approximately 3-year intervals after reaching the top automatic step of his particular level.

This bill merely brings the postal employees longevity increases in line with the classified employees and it is right and proper that the same principle be extended to the postal employees.

I urge your wholehearted support in this matter and ask my colleagues to give the postal employees equal treatment to which they are so justly entitled. Let us wipe out discrimination against the postal employee that exists in the present law and adopt S. 1459. It is a very fair way to reward their vigorous, able, and dedicated service.

Mr. JOHANSEN. Mr. Speaker, I yield such time as he may require to the gentleman from Nebraska [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, this legislation came out of the Postal Operations Subcommittee of which the gentlewoman from Pennsylvania [Mrs. GRANAHAN] is chairman and of which I am the ranking minority member.

Mr. Speaker, I was happy in the subcommittee to make the motion that this legislation be reported favorably. We had very thorough hearings on the matter, and as previous speakers have said, it does correct a long-standing inequity. The present setup discriminates against postal employees as compared with classified workers.

Also I want to mention that I, too, like the gentleman from Iowa [Mr. GROSS] do not believe this publicity about having to operate the Postal Establishment on a so-called businesslike basis, meaning that the income should equal the outgo. This is something that the former Postmaster General made popular. I am sorry that some people are still following that position. To show you how foolish that position is, that the income must always equal the outgo, there are going to be many increases in postal expenses in the next few years. Salaries are going to need adjustment; many things are going to be purchased at higher rates because of the inflationary spiral that is always with us, and if we follow this procedure of saying that we shall not spend more than we take in in the Post Office, we will wind up with a 25-cent first-class postage stamp in the next 10 years. So, Mr. Speaker, I do recommend this legislation.

Therefore, Mr. Speaker, I wish to join my colleagues in urging favorable consideration of S. 1459. This legislation received overwhelming support in the Senate and was supported by a large majority of our committee.

The purpose of this bill is to place postal employees on a comparable basis with Federal employees subject to the Classification Act with respect to the period of service required for longevity step increases.

Employees whose compensation is fixed by the Classification Act receive longevity increases after 10, 13, and 16 years of service in the same grade in an amount equal to the regular within-step increase of the grade. Within-step increases start at $105 in grade GS–1 and increase with each higher grade to a maximum of $260 at the top.

In the postal field service, however, employees receive longevity increases in the fixed amount of $100 after 13, 18, and 25 years of service.

This legislation will correct this inequity by providing that longevity increases for postal employees will be in the same amount as the regular periodic within-step increases of the various pay levels. For example, in level 4, which includes most postal employees, the within-step increase is $160.

The other major change to be made by this bill is to reduce the service requirement for longevity increases from 13, 18, and 25 years to 10, 13, and 16 years in order to correspond with the 10, 13, and 16 years within-grade requirement under the Classification Act.

The Post Office Department objects to the comparison of permitting postal employees to count all of their postal service for longevity purposes, whereas the classified employees are permitted to count only the service within a particular grade. I find no basis for this objection. In the postal service over two-thirds of the employees are in level 4 with little or no opportunity to be promoted to a higher level. In the Classification Act system, on the other hand, most employees can expect to be promoted systematically to one of the higher grades. The postal employees who enter the service as clerks or carriers in level 4, with few exceptions will remain in level 4 for the entire period of their careers in the postal service. Hence, the only equitable way for establishing a true system of longevity for these employees is to award the longevity increases on the basis of total service in the postal service.

Mr. Speaker, since this bill has received such overwhelming support in the Senate and in our committee, I am sure it will receive the same support here on the floor of the House today.

Mr. JOHANSEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I am glad to rise to support very strongly this postal worker longevity legislation. I have a bill cosponsoring this present legislation, H.R. 8473, amending the provisions of law relating to longevity step increases for postal employees. I believe these postal employees should be treated equally with the classified Government employees and recommend prompt passage of this bill for the benefit of our good U.S. postal employees.

There is a large percentage of level 4 employees. Four hundred and twenty-five thousand of the 500,000 postal employees are in level 4 grade and below. Most of these postal employees start and retire at that level, and this legislation is necessary at this time to give just treatment to these fine loyal workers.

I would state that this is not a pay increase, but puts postal employees on the same level as other Government classified employees in their treatment by the Government over the years as these employees continue to render good and satisfactory service. Improved longevity law provisions will make the postal service more efficient. We certainly should not wait for a postal rate increase as a condition precedent to the passage of this proposed legislation. Receipts clearly should not be tied as a condition to fair and good longevity rules—these postal workers are surely entitled to this consideration at this time.

I would like to discuss specific features of the present longevity legislation. The legislation is identical to that contained in my own bill, H.R. 8473, and I sincerely urge its immediate adoption. This bill will correct two major inequities that affect postal employees in present law. First, it will put postal employees on the same basis as Classification Act employees by providing for longevity increases for them after 10, 13, and 16 years of service. Second, it provides that longevity increases shall be in an amount equal to their within-step increases, which is also provided for Classification Act employees.

The longevity system for postal employees should certainly be on a basis which takes the facts into consideration that very few employees in the postal service in level 4 are ever afforded the opportunity for promotion to a higher grade.

The Post Office Department contends that this legislation is, in fact, a pay increase bill. I disagree with this position of the present administration. Bills embodying the principles of longevity pay were first introduced in the 70th Congress of 1928. The principles were established at that time that longevity increases should not be considered as pay increases. It was stated at that time that the longevity increases must be considered as a reward for continuous

service rendered. The application of this principle has been accepted continuously ever since. It is considered to be good employee practice, developing morale, increasing efficiency, and reducing turnover. The principle of longevity increases has a wide application in private employment and is being expanded constantly. It is a reward for long and faithful years of service and experience.

Mr. Speaker, this legislation is long overdue and I urge all my colleagues on both sides of the aisle to give it their favorable consideration.

Mr. MURRAY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Speaker, I wish to express my appreciation to my colleagues on the Committee on Post Office and Civil Service and to all those who are responsible for affording the Members of the House an opportunity to consider this legislation to provide a more equitable longevity system for postal employees.

I introduced H.R. 8758, which is identical to the bill passed by the Senate, S. 1459. I urge your favorable consideration of S. 1459 here today.

As we know, the principle of remuneration for longevity was first introduced in the postal pay schedules in 1945 through Public Law 134. While the formula used in prescribing the longevity steps at that time was appropriate, it now works an injustice for the postal employees as compared to the Classification Act employees. Postal employees now get longevity increases at the end of 13, 18, and 25 years of service. The increases are $100 each which were established in 1945. This $100 was worth almost double in today's dollar value. The bill provides for only $130 in level 1, $135 in level 2, $145 in level 3, and $160 in level 4. On the other hand, Classification Act employees receive longevity step increases after 10, 13, and 16 years of service in the same grade in an amount equal to the regular within-step increase of a grade.

While it is true that a Classification Act employee does not carry his longevity credit with him when he is promoted to a higher grade, the majority of postal employees on the other hand never have the promotion opportunities that the Classification Act employees have. Most of the postal employees are in the lower pay levels and by far the majority of these are clerks and carriers in level 4. These employees have little anticipation of ever reaching level 5 or any higher grade.

Longevity is supposed to be a reward for faithful service. It is supposed to be an incentive for work well done. The carrier or clerk in level 4 who goes to the third longevity step after 25 years of service will receive, under the present law, an annual increase of $100—$1.80 a pay period or 90 cents a week—and this after 25 years of faithful service. I hardly believe that this can be considered much of an incentive.

Mr. Speaker, I believe that this legislation will remove an inequity that has been placed upon the postal employees. Since my bill, H.R. 8758, is identical with the Senate-passed bill, S. 1459, I urge that favorable action be taken on the Senate bill today.

Mr. JOHANSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, I am pleased indeed that this bill is now before the House; I urge all Members to support this very worthwhile legislation.

Mr. Speaker, perhaps someday we shall bring our postal workers to a position they deserve. For many years I have felt they have been too far down the scale of Federal pay and retirement levels.

The postal workers are fine people, loyal Federal employees, and good citizens in my congressional district. I am proud to support this legislation.

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

Mr. MASON. Mr. Speaker, as the original originator of longevity bills for Post Office employees I also approve this extension of it.

Mr. JOHANSEN. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Speaker, I want to associate myself with the sponsor and supporters of this piece of legislation, which is long overdue. This bill will correct a great inequity in the postal service. I am happy to support it wholeheartedly.

Mr. JOHANSEN. Mr. Speaker, I yield as much time as he requires to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Speaker, I rise in enthusiastic accord with this legislation. As one who has long been concerned with the iniquitous situation this bill will correct, I am privileged to be identified as a sponsor of the measure, my bill being H.R. 6502.

In saying I have long been interested in this problem, I do so based not only on my role as a legislator, but as a former postal employee. I can speak from both levels with practical experience.

The workers in our postal service deserve every just consideration for the vital contribution they make to our everyday lives. Had many of us lived in countries where the post office organization is a haphazard operation and where the safe and prompt delivery of letters and packages is indeed an uncertainty, I think we would be more appreciative of the efforts of American postal workers. Unfortunately, all too often their service to the community is not properly recognized nor rewarded.

Take the case of the issue before us today. I am sure that it was not the intent of Congress when it enacted Public Law 134 in 1945 to discriminate against the postal workers in this matter of longevity increases. Yet today the postal workers are at a distinct disadvantage in relation to Federal employees subject to the Classification Act. Federal employees who are compensated under the Classification Act receive longevity increases after fixed intervals—after 10, 13, and 16 years' service—in an amount equal to the regular within-step increase of the grade they occupy. The postal workers, on the other hand, must wait until they have completed a longer period of service—13, 18, and 25 years of service—and then they receive longevity increases at a lower fixed amount of $100.

This difference in compensation schedules is more unfair than it superficially seems. For one must remember that a great majority of postal workers enter and retire from the postal service in the same grade—grade 4. For the first 6 years of his service, a postal clerk or letter carrier receives a periodic increase—$160 if he is a grade 4—every year. Then he reaches a plateau and the only thing he can look forward to is a longevity increase. He must complete his 13 years of service before he is eligible for such an increase. Thirty percent of postal workers today receive longevity pay as against only 6 percent among the classified employees. This is true because the classified workers have more opportunities for promotion to higher grade levels. They do not stay in a grade long enough to qualify for longevity. But postal workers, many of whom have few changes in the nature of their task over the years, tend to have very limited promotion opportunities. Because longevity increases are more vital to the livelihood of postal workers, it is doubly important that the law should offer them equal treatment.

This bill would rectify the present inequity in longevity increases and would put the postal workers on a comparable basis with the classified employees. I repeat that I am proud to be a cosponsor of this legislation to adjust the postal workers' longevity pay. Despite the unwarranted opposition of the administration to these bills, I feel we owe it to those in the postal service to enact this legislation before this congressional session ends. Mr. Speaker, in closing, I wish to commend the committee for the job it has done in reporting this bill. I fervently hope it will be approved overwhelmingly by the Members of this House.

Mr. JOHANSEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I find myself in a strange and paradoxical situation, indeed. I voted against the bill S. 1459 in committee, and I intend to vote against it here today.

The paradoxical situation is that I find myself apparently the only person on either side of the aisle speaking in support, at least so far, of the position taken by the administration. The contradiction goes one step further. I find the administration, which made a great campaign issue of the fact that it was the party with a heart and the party that cares, offers strong and valid reasons why this bill should not be approved, at least this year.

Let me say first of all that I am not satisfied, after the discussions in our full committee and after the shotgun, ramrod subcommittee hearing that was held in order to vote this bill out and bring it to the full committee, as to where the equities or inequities do lie. It seems the administration has a considerable point in calling attention to the fact that postal employees, generally

speaking, become eligible for longevity ahead of the classified employees, and that arises from the fact that a classified employee must acquire 10 years of service in a given grade before he becomes eligible for longevity benefits, and if he has acquired longevity benefits and transfers to a higher grade, while he preserves the earnings and earning rate that he had at the time of the promotion, he loses his eligibility in his grade for longevity and has to again serve for 10 years in that grade.

It is the contention of the Department, and I think with valid grounds, that this legislation, instead of curing, actually creates and aggravates inequities, and it would be against the classified employee. I also happen to be impressed with the argument that with a study of differences and comparisons in an effort to eliminate inequities between postal pay and classified pay, in anticipation of a certain effort to raise both pay scales next year, it would be in order to wait until that study is completed and do the job overall. I can understand, of course, why the postal employees and those who speak for them favor this increase now because it will assure that any pay raise, any general raise voted next year, will be superimposed on the increased pay of those who receive longevity.

Now, in addition to those two points, I want to speak very frankly to my colleagues about what I think is the most compelling reason why this bill should not pass today. On last Friday this House saw fit in its wisdom to insist on consideration of the administration-supported postal rate bill under an open rule, and as the distinguished ranking minority member of the Committee on Post Office and Civil Service, the gentleman from Pennsylvania [Mr. CORBETT], told the House on last Friday, this was the death knell of any postal rate increase in this session. The House in effect last Friday refused to close or partially close the gap between operating costs and revenues of the Post Office Department.

And, let me interject right here this word of reassurance to my colleagues who have testified here today that they do not believe in the Post Office Department operating on a break-even basis. I would like to console them with the assurance that they do not need to worry about that happening if we are going to continue on the procedure that was followed last Friday and the procedure that you propose to follow today by adding $60 million a year extra cost.

I think it is not fiscal responsibility, and I want to be impartial and equitable in the distribution of my comment on this matter.

I think it is interesting to note that 89 Members of the majority party deserted their own leadership and their own administration on this matter. I would like also to point out to some of my very dear conservative friends and colleagues, Mr. Speaker, that there would not be fiscal responsibility in this matter of the operating costs as against the revenue of the Department as a result of their vote on last Friday. This bill today means a $60 million additional annual operating cost on the Department, and I am quite sure the House may very well again demonstrate that it is not going to practice fiscal responsibility in this matter. The House may very well decide that the present users of the mails will pass more of their postage bills on to their grandchildren through deficit financing.

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

Mr. JOHANSEN. I yield to the gentleman from Texas.

Mr. ALGER. I want to thank the gentleman for yielding and to join with him and to assure him that I realize this is not a question whether some are for or against postal workers or a pay increase as such. Certainly no one will contend that Postmaster General Day is not for the postal workers or not for increased pay, including longevity pay. I believe that all of us feel that postal workers should be adequately paid. I find myself in accord with the logic of the views of the gentleman from Michigan and the concern of Postmaster General Day as expressed in the letter in the report on page 2. Mr. Day points out that liberal pay increases were given during the past fiscal year which increased the clerks', carriers' and other postal workers' salaries approximately 8 percent.

Secondly, Postmaster General Day points out that the Postal Department is reviewing the pay structure for postal workers to determine whether present pay is in line with wages and salaries paid by private employers, the conclusions of which he expects to have by the end of this year. It seems self-evident to me, as it does apparently to him, that Congress waits until receiving this information before acting further on postal pay increases. As Mr. Day points out "piecemeal changes of this kind increase, rather than decrease, the differences because other related provisions remain unchanged." He was comparing the Postal Field Service Compensation Act and the Classification Act longevity requirements in making this statement. He pointed out if similarity were desired then this bill falls short. Whether similarity or dissimilarity is required, as I see it, we should have the Department's pay study before taking legislative action.

Finally, Mr. Day points out, "Because of our doubt as to the wisdom of an additional pay raise so soon after the increases given last fiscal year and because shortening the service time requirement for postal employees would unnecessarily add to the existing differences among Federal pay systems, we oppose enactment of these bills."

While we are agreed that postal workers' pay should not hinge solely on postal receipts balancing postal expenses, yet we cannot remain oblivious to the increased deficit of $60 million occasioned by this pay increase at this time without an increase in postal rates. This is just sound commonsense, and I refuse to believe that the Postal Department cannot be run in a sound financial manner.

The Bureau of the Budget has related in the report on page 4:

> The apparent purpose of this bill is to bring about greater comparability between the salary structures of the postal field service and the Classification Act.

And—

> The objective of achieving greater comparability between the Federal Government's two major pay systems has considerable merit. Unfortunately, H.R. 6092 would not only fall short of this objective but would actually create greater inequities than now exist.

The Budget Bureau further states:

> H.R. 6092 would be to create even greater disparities in pay treatment of Classification Act and postal employees.

And then concludes by saying:

> The Bureau of the Budget opposes the enactment of H.R. 6092, since in our view it would change the postal field service salary structure on a piecemeal basis and in an unsound way.

It is my view that invariably Congress enacts postal pay increases either hastily and/or because of the political pressure brought to bear on the Congress by the postal workers. As I see it, postal pay raises should follow careful study by this Congress rather than through submission to pressure.

I regret exceedingly that continually I am placed in a position of appearing to be against postal pay increases when this is not my position at all. I will not apologize for demanding fiscal responsibility in all phases of the operation of our Federal Government, so long as we Congressmen are charged with the responsibility of guarding the purse strings for the heavily burdened taxpayer, as we expend their money. I believe postal workers should be well paid. I believe that seniority and longevity should be recognized because this indicates faithfulness to the task. I also believe in incentive pay so that men with ability and hustle can get ahead compared to those who lack either or both.

I will concede there is much I do not know about postal pay matters, but as I read the report and see the Postmaster General and the Budget Bureau's opposition to this bill and the reasons, sensible as they are, advanced for this opposition, I am unable to approve the longevity pay arrangement in this way at this time. I think it is premature.

I want to commend the gentleman from Michigan for what he has said and associate myself with his views.

Mr. MURRAY. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Speaker, the bill, S. 1459, is conceived in the interest of fairness and equity. It is corrective legislation that, in my opinion, is long overdue.

S. 1459 was passed by the other body on July 17 by a unanimous vote and is recommended by the House Post Office and Civil Service Committee. The purpose of the bill is to eliminate discrimination against postal employees with respect to longevity pay increases by providing benefits comparable to

those enjoyed by regular civil service employees.

Under present law, Federal employees subject to the Classification Act receive longevity increases after 10, 13, and 16 years of service within a given grade, while postal employees receive longevity increases after 13, 18, and 25 years of service. This bill, S. 1459, grants postal employees increases after 10, 13, and 16 years of service.

In one other respect the postal employees are discriminated against. Each longevity pay increase under the Classification Act is equal to the regular within-step increase of the grade. The increase in some instances is $260. Meanwhile, postal employees receive longevity increases of only $100. Under S. 1459, postal employees' longevity pay increases would be equal to the within-step pay increases for the grade or level in exactly the same manner as other Government employees.

I know there will be attempts and there have been attempts made to paint this adjustment as a pay increase. It is not a pay increase; it is merely the correction of a gross inequity. In the matter of pay, the postal employees are also greatly discriminated against. Under date of June 30, 1960, the Civil Service Commission published a study of the pay structure of the Federal civil service. This study showed the average pay of Federal employees under four pay schedules to be as follows: Classified Pay Act, the average was $5,697; wage board employees averaged $5,386; postal employees, $4,853; and employees under other acts and administrative decisions averaged $6,617. I find this most difficult to understand. The vast majority of postal employees are heads of families; they have responsible positions; and are entitled to equal consideration with other Government workers.

Again, I wish to repeat that this is not a pay bill; it is a bill to correct a long-existing inequity. This inequity should have been corrected a long time ago. Indeed, I find it most ironic to learn that the first longevity pay increases were provided for postal employees—this was in 1945. Now today we find that the postal workers are at the tail end of the parade. In 1949 the longevity provisions were amended. The amount of the longevity increase provided was $100 per year. At that time, this was exactly the same as the annual increase received by clerks and carriers. In 1949 longevity increases were provided for employees under the Classification Act; the amount of the longevity increase was defined as the amount of the step or grade increase. With the changes of the pay schedules the amounts of longevity increases for classified employees have gone up accordingly. Only the postal longevity increases have stood still. It is high time that we modernize the postal longevity schedule.

Out of the approximately 545,000 postal employees, 392,000 are in level 4. The nearest comparable pay grade under the Classification Act is grade 5. Employees in postal level 4 and classification grade 5 receive exactly the same pay in the initial step, $4,345 per annum. When it comes to longevity pay, however, the postal employee is the poor relative. He receives only $100 per year and waits longer for it than his counterpart in the general Government field; the Classification Act employee receives longevity pay of $165 per year and he receives it sooner. Are we going to pass this bill that provides simple justice and equity, or are we going home and tell our letter carriers, our clerks, our rural carriers "Cinderella, you stay with your rags, with your pots and pans—you are not as good as the other members of the family."

We must not fail to correct this gross inequity. Justice and righteousness are virtues of the soul. We must correct this problem by equal-handed justice. We cannot continue to make fish of one and fowl of the other.

I want to reemphasize one point to which I have briefly referred. There is one basic difference between the advantages for advancement in the classification service and in the postal service. In this area we find the postal employee greatly discriminated against. Out of the 545,000 postal employees, 435,000 are in level 4 or below. On the other hand, out of the 982,000 Classification Act employees, 593,000 are in grades above grade 5. The Classification Act employees move up to higher grades, but the postal employees are largely confined to the level in which they start. The letter carrier and the clerk start in those positions and also retire as letter carrier or as clerk. I know that a limited number are promoted to supervisor, but the percentage is extremely low. As a matter of fact, the letter carrier can look forward only to his longevity increase and to his retirement.

Longevity pay was established as a reward for faithful service and as an incentive to keep good men in the Government service. Let us see what type of a reward and what type of an incentive it has become. In 1945 an increase of $100 per year looked pretty good. Taxes were relatively low, the letter carrier or clerk with a family paid no income tax. The deduction for retirement purposes was 3½ percent of his salary. Actually, he received $96.50 out of the $100 increase. This $96.50 bought a pretty large basket of groceries in 1945. Today the letter carrier or clerk pays substantial income taxes to the Federal Government; he pays taxes to the State and in many cities he pays taxes to the city. He contributes 6½ percent of his pay to the retirement fund. Let us see what the $100 longevity increase means today in take-home pay.

First, we will consider a letter carrier with three dependents—he has 18 years of service and is receiving take-home pay of $171.57 for 2 weeks. Seven years later as a reward for faithful service, the Government increases his pay to $175.17. That amounts to $3.60 per pay period, or $1.80 per week.

How much of an incentive is that? Not enough to create enthusiasm, inspiration, or even thankfulness.

With the passage of this bill, the longevity step increase that a letter carrier will receive will amount to $5.58 per pay period, or $2.79 a week. I am sure that this will be a valuable incentive. This is only $1 a week more than the longevity presently granted but that $1 additional would grant $2.79 a week instead of $1.80 per week—I think a little more valuable incentive.

Let us correct our failures to take proper measures for the past 12 years by passing this legislation. Let us in the name of proper procedures put longevity on a basis where adjustments are brought about in an orderly, progressive and automatic manner. Let us in the name of commonsense and justice pass this bill before we go home to face the postal employees in the 437 districts in the 50 States. Justice is always important. Justice is always imperative; it should not now be deferred again.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. JAMES C. DAVIS].

Mr. JAMES C. DAVIS. Mr. Speaker, in the matter of longevity step increases I have long felt that postal employees should be placed in the same category with other Federal civilian employees. For that reason I supported this bill in the committee, and I support it here today. I trust it will pass by an overwhelming majority.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Speaker, I rise in support of this legislation, and wish also to inform the House that, as a member of the subcommittee which held hearings on this particular legislation, full and extensive hearings on this legislation were held for 2 days and all of those who wished to be heard were heard.

Mr. Speaker, the subcommittee unanimously favorably reported this bill out. This bill corrects the inequitable treatment of the postal workers and rewards them for long and faithful service to the people and our Government.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Speaker, I wish to congratulate the committee, the chairman of the full committee, and especially the subcommittee chairman, the gentlewoman from Pennsylvania [Mrs. GRANAHAN] for bringing this legislation to the floor before adjournment.

Mr. Speaker, this legislation would correct an uncalled for and undesirable inequity that exists between the longevity grades of postal and other Federal Government employees.

In addition to correcting this inequity—a correction which is long overdue—this measure would also justly reward our older postal employees for long and faithful service, and it would provide added incentive for qualified employees to advance to management positions.

Mr. Speaker, this legislation is fully merited and I urge the House to approve it today.

GENERAL LEAVE TO EXTEND

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

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

There was no objection.

Mr. JOELSON. Mr. Speaker, I am delighted to have the opportunity of providing equity and justice to postal workers. Campaign oratory is no substitute for action. We now have the chance to act. I will gladly support this bill for equal longevity pay treatment for all Federal employees.

Mr. RANDALL. Mr. Speaker, I wish to say that I will support S. 1459, which is an amendment to the law to provide longevity step increases for postal employees.

The reason we are dealing with a Senate bill here today is that this measure was passed by the Senate on July 17, 1961, by unanimous vote. If the purpose of this measure could be defined in a simple manner, it would be to state that this is a bill to eliminate discrimination against postal employees with respect to longevity pay increases by setting up benefits comparable to those enjoyed by regular civil service employees.

It is a bill which has as its essence fairness and equity to all postal employees. If it has been described as corrective legislation, may we hasten to add it embodies a correction which is long overdue. We submit the reasons for the above statement as follows:

Under present law, the regular civil service employees receive longevity increases after 10, 13, and 16 years of service within a given grade. While postal employees receive longevity increases only after 13, 18, and 25 years of service. This bill, S. 1459, will grant to postal employees increases after 10, 13, and 16 years exactly like other Federal employees.

We have mentioned one discrimination and yet there is another which is that under the Classification Act each longevity pay increase is equal to the regular within-step increase of the grade. This amounts in some cases to $260. On the other hand, postal employees receive longevity increases of only $100. S. 1459 would give postal employees treatment exactly the same as other Government employees.

It will doubtless be argued this is a pay adjustment—or a pay increase. It is not a pay increase, but instead is the correction of a longstanding inequity. The Civil Service Commission has some figures on the pay structure from a published study of June 30, 1960. It reviewed the average pay of Federal employees in four pay schedules: First, Classification Act, the average was $5,697; second, wage board, $5,386; third, employees under other acts averaged $6,617; fourth, postal employees averaged only $4,853.

We should all remember these postal employees are heads of families. They do have responsible positions and are entitled to equal consideration with other Government workers.

If this bill passes today, and I am sure it will, so I should say when this bill passes, we will have done something which should have been done a long time ago. It was not until 1945 that the first longevity legislation pay increase was provided and not until 1949 that the longevity provisions were amended. In that same year of 1949, longevity was provided for employees under the Classification Act as the amount of the step or grade increase. Only the postal longevity increase has stood still.

One of the members of the committee in his remarks on the floor of the House said that today we find the postal worker at the tail end of the parade. This is just about as good a description as we have heard, and at the same time, one of the strongest reasons why this postal longevity schedule should be modernized.

For my part, I do not intend to go home and say to our clerks and letter carriers and even our rural carriers that they are not as good as other Federal employees.

Before we conclude our remarks, we should like to point out that the postal worker may be under another disadvantage or the object of another discrimination and that is because advancement under the Classification Act is easier. Here is what we mean: Of about 550,000 postal employees, 435,000 are in level 4—or below. While on the other hand, out of 980,000 employees under the Classification Act, nearly 600,000 are in grade 5 or above.

The classified worker is moved to a higher grade, but postal employees many times come to retirement as clerks or letter carriers. Oh, sure, some are promoted and some even become supervisors, but the percentage is extremely low. Why do I mention this? Simply to reemphasize again the importance of making it possible for clerks and carriers to look forward to fair and ample longevity increases.

Today we can make up for some of the omissions of the past 12 years, by passing this legislation. It is only commonsense and justice that this bill should be passed.

For my part, I want to be on the record squarely and affirmatively for S. 1459, because I cannot go home and face my postal employees with the word that they will have to wait still longer or that justice must even be longer deferred.

LONGEVITY STEP INCREASES FOR POSTAL EMPLOYEES MUST BE PROVIDED

Mr. GILBERT. Mr. Speaker, I am happy to have the opportunity to cast my vote in favor of S. 1459 to amend the provisions of law relating to longevity step increases for postal employees. I have long urged that favorable action be taken on this legislation.

The bill is designed to eliminate discrimination against postal employees with respect to longevity pay increases by providing benefits comparable to those enjoyed by regular civil service employees. This is only common justice for our faithful postal employees. It has been pointed out that most of them enter and retire from the postal service in the same grade level; namely, grade 4. No matter how good a letter carrier may be, the odds are 99 to 1 that he will retire at the end of 20 or more years while still a letter carrier, at the top of grade 4, with only longevity increases to look forward to during his years of service. Postal employees in the longevity grades up to now have received an increase of $100, while Federal employees receive an in-step increase. The inequity which exists between postal and Federal longevity grades must be corrected and this consideration has long been overdue our postal workers. We should be sympathetic to the problems of our loyal and conscientious postal workers who deliver the Nation's mail; they ask no preferential treatment; they ask only that they receive the treatment now accorded other Government employees.

In view of ever-rising living costs, it is most important that our postal workers be given the assistance provided by this bill. To eliminate the inequities they now endure will also bolster their morale; it will be a recognition of the fine service they perform for us, all of which they richly deserve.

POSTAL LONGEVITY STEP INCREASES EQUITABLE

Mr. BOLAND. Mr. Speaker, I rise in favor of S. 1459, a bill to amend the provisions of law relating to longevity step increases for postal employees.

The purpose of this legislation is to establish a more equitable method for granting longevity step increases for postal field service employees as a reward for long and faithful service.

This legislation will make two basic changes in existing law. First, it will establish the principle that longevity step increases will be equal to step increases provided by existing law for the particular grade level. Longevity step increases in an amount equal to grade step increases now are part of the Classification Act longevity step increase system. Therefore, it is only right and proper that the same principle be extended to the postal field service.

Secondly, this legislation will establish the concept that longevity pay should begin after 10 years of service rather than after 13 years of service, and that intervals between step increases for longevity purposes should be set uniformly at 3 years instead of growing progressively broader as the amount of service increases. This would assure a postal employee, such as a clerk or a carrier, whose postal service generally is all in one grade level, that he could anticipate longevity increases at approximately 3-year intervals after having reached the top automatic step of his particular level.

Mr. Speaker, I urge passage of this equitable legislation.

Mr. DONOHUE. Mr. Speaker, I most earnestly hope that the great majority of the Members of this House will approve the suspension of the rule and enact this measure, S. 1459, without amendments or extended delay.

As you well know, S. 1459 is designed to provide a more equitable method for granting longevity step increases for postal employees in recognition of their loyal and faithful service.

In order to establish this more equitable and just method, two changes in the existing law are required, and the passage of S. 1459 will accomplish these changes. The language proposed in S. 1459 will, first, set up the principle that

longevity step increases will be equal to step increases provided by current law for the particular grade level, and unquestionably this is a sound principle to extend into the postal service. Second, the bill will establish the concept that longevity pay should become effective after 10 years of service rather than after 13 years, and that intervals between step increases for longevity purposes should be set uniformly at 3 years instead of growing progressively broader as the time of service increases.

Mr. Speaker, the postal employees have a history of superior duty performance and loyalty to this country, and I submit that their morale should be reasonably encouraged by passage of this proposed legislation which will also serve as a further inducement for recruitment, in the future, of the most desirable individuals for postal work.

Following this action, we should make every effort to accomplish basic reconciliations between the postal service pay system and the Classification Act system as a matter of wise Government policy but, in the meantime, as a gesture toward that objective we should take prompt action on the measure now before us. I sincerely hope our colleagues here will immediately act to pass this bill and let us move on to further important legislative business.

Mr. ROUSH. Mr. Speaker, I rise in support of the bill to provide a more equitable method of granting longevity pay increases to postal employees. I believe that it is important that the postal longevity benefits be made to more closely correspond to the civil service classification system benefits.

The employees of our postal service are important members of our Government. To many in our Nation, contact with the Post Office Department is the only regular contact they have with their Government. The dedication and the spirit of these employees has long been a valuable public relations asset to the entire Federal Government.

It is important that we make the postal service attractive. The Post Office Department must be a good employer if it is to attract and hold the type of men and women which will complement it and the Nation. The bill S. 1459 makes a step forward in this area. I support it and I urge that we pass it.

Mr. PETERSON. Mr. Speaker, I wish to identify myself with those Members of the House of Representatives who support in overwhelming fashion S. 1459 to provide longevity step increases for postal employees.

This measure eliminates discrimination against postal employees, a condition which has existed far too long. It provides them with longevity pay increases and salary benefits comparable to those which other Government employees in the civil service have always enjoyed.

This situation has been not only an inconsistency, but a genuine inequity. It has denied the postal workers of the opportunity of moving upward in salary scales. It has resulted in deteriorating morale and we owe it to these faithful and dedicated public servants to correct these inequities to which they have been subjected.

Our postal workers take pride in their work and in their Department. They are entitled to recognition for merit performance and an incentive reward. When implemented, S. 1459 will increase the efficiency of these employees to an extent that I am confident will more than offset any threatened increase in the postal deficit—and certainly that would be in the public interest.

As a friend of the American postal workers, I am gratified that this 87th Congress will eliminate this statutory inequality and remove our postal force from the category of forgotten men and women.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee that the House suspend the rules and pass the bill S. 1459.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

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

The SPEAKER pro tempore. The Chair will count. One hundred and seventy-nine Members are present, not a quorum.

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

The question was taken; and there were—yeas 359, nays 4, not voting 72, as follows:

[Roll No. 211]

YEAS—359

Abbitt
Abernethy
Adair
Addabbo
Addonizio
Albert
Alexander
Alford
Andersen, Minn.
Anderson, Ill.
Andrews
Ashbrook
Ashley
Ashmore
Aspinall
Auchincloss
Avery
Bailey
Baker
Baldwin
Baring
Barrett
Barry
Bass, N.H.
Bass, Tenn.
Bates
Battin
Becker
Beckworth
Beermann
Belcher
Bennett, Fla.
Bennett, Mich.
Betts
Blatnik
Blitch
Boland
Bolling
Bolton
Bonner
Bow
Brademas
Bray
Breeding
Brewster
Bromwell
Broomfield
Brown
Broyhill
Bruce
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cahill
Cannon
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Chiperfield
Church
Clancy
Clark
Coad
Cohelan
Collier
Conte
Cook
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mo.
Daddario
Daniels
Davis, James C.
Davis, John W.
Davis, Tenn.
Dawson
Dent
Denton
Derounian
Devine
Diggs
Dingell
Dole
Dominick
Donohue
Dorn
Dowdy
Downing
Doyle
Dulski
Durno
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Fenton
Findley
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Forrester
Fountain
Frelinghuysen
Friedel
Fulton
Gallagher
Garland
Garmatz
Gary
Gathings
Gavin
Giaimo
Gilbert
Glenn
Goodling
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Haley
Halleck
Halpern
Hansen
Hardy
Harris
Harrison, Wyo.
Harsha
Harvey, Ind.
Harvey, Mich.
Healey
Hechler
Hemphill
Henderson
Herlong
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Holifield
Holland
Horan
Hosmer
Huddleston
Hull
Ichord, Mo.
Ikard, Tex.
Inouye
Jarman
Jennings
Jensen
Joelson
Johnson, Md.
Jonas
Jones, Ala.
Judd
Karsten
Karth
Kastenmeier
Kearns
Kee
Keith
Kelly
Keogh
Kilday
Kilgore
King, Calif.
King, N.Y.
King, Utah
Kirwan
Kitchin
Knox
Kornegay
Kowalski
Kunkel
Kyl
Laird
Landrum
Lane
Langen
Lankford
Latta
Lennon
Lesinski
Libonati
Lindsay
Lipscomb
Loser
McCormack
McCulloch
McDowell
McFall
McIntire
McMillan
McVey
Macdonald
MacGregor
Mack
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin, Mass.
Mason
Mathias
Matthews
May
Meader
Merrow
Miller, Clem
Miller, George P.
Miller, N.Y.
Milliken
Mills
Minshall
Moeller
Montoya
Moore
Moorehead, Ohio
Moorhead, Pa.
Morgan
Morris
Morrison
Morse
Mosher
Moss
Murphy
Murray
Natcher
Nelsen
Nix
Norblad
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Osmers
Ostertag
Passman
Patman
Perkins
Peterson
Philbin
Pike
Pillion
Poage
Poff
Price
Pucinski
Quie
Randall
Ray
Reece
Reifel
Rhodes, Ariz.
Rhodes, Pa.
Riehlman
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Robison
Rodino
Rogers, Colo.
Rogers, Fla.
Rooney
Rostenkowski
Roudebush
Roush
Rousselot
Rutherford
Ryan
St. Germain
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scott
Scranton
Seely-Brown
Selden
Sheppard
Shipley
Short
Shriver
Sibal
Sikes
Sisk
Smith, Calif.
Smith, Iowa
Smith, Miss.
Spence
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taylor
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thornberry
Toll
Tollefson
Trimble
Tuck
Tupper
Udall, Morris K.
Ullman
Vanik
Van Pelt
Van Zandt
Wallhauser
Walter
Watts
Weis
Whalley
Wharton
Whitener
Whitten
Wickersham
Widnall
Williams
Willis
Wilson, Calif.
Wilson, Ind.
Winstead
Wright
Yates
Zablocki
Zelenko

NAYS—4

Alger
Johansen
Taber
Utt

NOT VOTING—72

Anfuso
Arends
Ayres
Bell
Berry
Boggs
Boykin
Brooks
Buckley
Byrnes, Wis.
Carey
Casey
Colmer
Cooley
Curtis, Mass.
Dague
Delaney
Derwinski
Dooley
Ford
Frazier
Goodell
Hall
Harding
Harrison, Va.
Hays
Hébert
Hoeven
Holtzman
Johnson, Calif.
Johnson, Wis.
Jones, Mo.
Kilburn
Kluczynski
McDonough
McSween
Martin, Nebr.
Michel
Monagan
Moulder
Multer
Norrell
Pelly
Pfost
Pilcher
Pirnie
Powell
Rabaut
Rains
Reuss
Rogers, Tex.
Roosevelt
St. George
Santangelo
Saund
Shelley
Siler
Slack
Smith, Va.
Teague, Calif.
Thomas
Thompson, La.
Thompson, Tex.
Vinson
Weaver
Westland
Young
Younger

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

The Clerk announced the following pairs:

Mr. Hébert with Mr. Arends.
Mr. Shelley with Mr. Hoeven.
Mr. Frazier with Mr. Goodell.
Mr. Roosevelt with Mr. Bell.
Mr. Harrison of Virginia with Mr. Byrnes of Wisconsin.
Mr. Carey with Mr. Teague of California.
Mr. Saund with Mr. Pelly.
Mr. Young with Mr. Curtis of Massachusetts.
Mr. Slack with Mr. Hall.
Mr. Thompson of Louisiana with Mr. Ford.
Mr. Buckley with Mr. Westland.
Mr. Boggs with Mr. Dooley.
Mr. Thompson of Texas with Mr. Ayres.
Mr. Thomas with Mr. Derwinski.
Mr. Delaney with Mr. Berry.
Mr. Colmer with Mr. Michel.
Mr. Rains with Mr. Kilburn.
Mr. Rogers of Texas with Mr. Siler.
Mr. Pilcher with Mr. Martin of Nebraska.
Mr. Gray with Mr. McDonough.
Mr. Hays with Mr. Weaver.
Mr. Brooks of Texas with Mr. Pirnie.
Mr. Kluczynski with Mrs. St. George.
Mr. Powell with Mr. Younger.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

## COMMUNIST PROPAGANDA IN THE UNITED STATES

Mr. WALTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5751) to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal, and for other purposes, as amended.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Subversive Activities Control Act of 1950 is amended by inserting immediately after section 10 thereof the following new section:

"NOTICE WITH RESPECT TO COMMUNIST PROPAGANDA DISTRIBUTED BY MAIL

"SEC. 10A. In order to alert the recipients of mail and the general public to the fact that large quantities of Communist propaganda are being introduced into this country from abroad and disseminated in the United States by means of the United States mails, the Postmaster General shall publicize such fact (1) by appropriate notices posted in Post Offices, and (2) by notifying recipients of mail, whenever he deems it appropriate in order to carry out the purposes of this section, that the United States mails may contain such propaganda. The Postmaster General shall permit the return of mail containing such propaganda to local Post Offices, without cost to the recipient thereof. Nothing in this section shall be deemed to authorize the Postmaster General to open, inspect, or censor any mail. The Postmaster General is authorized to prescribe such regulations as he may deem appropriate to carry out the purposes of this section."

The SPEAKER pro tempore. Is a second demanded?

Mr. SCHERER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, I yield myself such time as I may require.

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized.

Mr. WALTER. Mr. Speaker, the legislation under consideration was reported by the Committee on Un-American Activities only after many hearings and deliberation by the committee over a long period of time.

The reason for this legislation is because of the present campaign of brainwashing in which the Communists are engaged.

The Committee on Un-American Activities was criticized by some segments of the press because of the many hearings at which Irving Fishman, the Deputy Collector of Customs, testified. Mr. Speaker, it was absolutely essential that this expert testify in order to develop the picture and to give to your Committee on Un-American Activities the kind of information that would enable it intelligently to legislate in this very sensitive field, and I say sensitive, advisedly, because we could very well adopt legislation which would impinge upon the constitutional rights of our citizens and then find ourselves in many many years of litigation with the end result of accomplishing nothing.

In an attempt to do something about the influx of this propaganda, the Treasury Department established three control posts, one in San Francisco where propaganda coming from the Orient was intercepted; one in New Orleans, to deal with the large quantity of information coming from South America; and the other in New York to deal with matter coming from Europe.

These three control points make checks on the millions, literally millions, of items of Communist propaganda. This is for the most part fine magazine material, very attractive. It goes to mailing lists that have some significance. Just recently the Communists have engaged in a different campaign, a campaign of dissemination of information through first-class mail which, of course, cannot be intercepted.

The new technique is the dissemination of information through first-class mail. This is arriving by the ton, literally. No legislation that we would conceive of would permit the opening of this first-class mail unless we would do that which is abhorrent to all Americans, namely, create a censor.

In order to call to your attention the magnitude of this problem, I direct your attention to some figures. Communist propaganda items from abroad transmitted through the U.S. postal service has increased in the year 1960 by 137 percent over the year 1959. The increase in 1959 over 1958 was only 18 percent. During the period from 1959 the U.S. Customs Service processed over 6 million packages of Communist propaganda containing over 10 million items. In 1960 over 14 million packages were processed. So this is not a trivial matter.

To deal with it your committee has considered all sorts of proposals. We considered one that was contained in an amendment to the postal rate increase bill.

The legislation proposed by the Post Office and Civil Service Committee is so vague and ambiguous as to render it incapable of a meaningful legal construction. In addition, there are substantial doubts as to its constitutionality.

The amendment seeks to bar from the U.S. mail matter determined by the Attorney General to be Communist political propaganda, but it in no way defines, describes, or otherwise creates a standard as to what constitutes Communist political propaganda.

We concluded, and our staff of experts concluded, it would be unconstitutional to designate the Attorney General to screen mail going through a department over which he had no control.

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

Mr. WALTER. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. We already screen the stuff that comes through the custom service. We do not know what is in it. It might be dope.

Mr. WALTER. I am willing to accept the judgment of the staff of the Committee on Un-American Activities and disregard my own feelings in the matter. Certainly the amendments that the gentleman in his well-understood anxiety to do something about this are entitled to attention. The gentleman has been most zealous over the years in trying to bring to the attention of the American people an appreciation of the fact that there is such a thing as a cold war. But I am afraid if we adopt something that will not stand the test of the courts this futile gesture will delay the time when we can do something constructive about this problem.

The measure before you directs the Postmaster General, by appropriate notice posted in the Post Office Department and by notifying the recipients of the mail of the campaign that is now being conducted.

This is necessary in order that the recipients of this very attractive looking material will understand just exactly what it is.

Mr. Speaker, I am not afraid of the judgment of the people so long as they are not deceived. Any program, such as that proposed by the Post Office and Civil Service Committee would create the false impression that the American people are so naive and gullible that they cannot be exposed to Communist propaganda without the danger of their being adversely influenced or corrupted by Communist doctrine. Such a program would also create the impression that the American people are incapable of recognizing and rejecting Communist political propaganda—much of which is false and absurd on its face.

We believe that the measure that we have before us today will materially assist us, and without doing violence to the Constitution, and more than that, giving an opportunity to the Communists and the well-meaning frustrated idealists to

go into the courts and delay the action that is so badly needed. It has taken more than 10 years and 3 appearances before the Supreme Court to characterize and designate the Communist Party of the United States as a Communist action organization within the terms of the Internal Security Act—and that case is still pending as a result of a petition for a rehearing. Many of the legal and constitutional considerations and impediments which were involved in that case would be involved in a program of the type contemplated by the legislation proposed by the Post Office and Civil Service Committee.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield further?

Mr. WALTER. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. The distinguished gentleman, for whom I have the greatest regard, and I have always supported everything that the gentleman has brought before us, mentioned hearings. I sent to the document room for hearings on the bill, H.R. 5751, which is now before us, and also the bill, H.R. 9120, which is the amendment that the gentleman is proposing. The page came back and said there were no printed hearings.

In the supplemental views there is mentioned that hearings and consultations have been had with Justice, the Post Office Department, Treasury, and State.

Would the gentleman from Pennsylvania [Mr. WALTER] tell me if hearings are available, and if not, is there some written evidence that those of us who are interested in this problem can peruse in order to know what the departments' views are, because there seems to be a great deal of hesitancy upon their part to take a stand on the matter.

Mr. WALTER. The gentleman from Nebraska places me in a very embarrassing position, because for months the Committee on Un-American Activities has been charged with holding too many hearings. Now the gentleman charges us with not holding any hearings. The fact of the matter is this subject matter was being dealt with when those disgraceful riots were held in San Francisco, when the first futile but obvious attempt took place to prevent the Committee on Un-American Activities from developing the fact that there was being received in the port of San Francisco millions of copies of Communist propaganda annually. That was one of the purposes of that hearing. The people who attempted to break up that hearing did it because they did not want your committee to develop the things that I have just told you about with respect to the quantity of material. Yes; the San Francisco hearings are available, the hearings which were held in Atlanta are available, the hearings held in Buffalo are available, the hearings held in New York are available, and the hearings that were held in New Orleans are available.

Mr. Speaker, all of these hearings point up the need for legislation in this field. In a general way in the hearings there is discussed the bill that was before the committee.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield further?

Mr. WALTER. I yield to the gentleman.

Mr. CUNNINGHAM. The gentleman said that I, perhaps, was making criticism of the fact that no printed hearings were held. This is not true. I only want information from these departments for our Postal Operations Subcommittee which has not had such information available to it. I thought that if there were written portions as to the stand of these departments available, as is indicated in your supplemental views, I only ask that in the matter of trying to get into this problem I might know where they might be available so I could peruse them.

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

Mr. WALTER. I yield to the gentleman from Louisiana, the gentleman who conducted the hearings in San Francisco.

Mr. WILLIS. If the gentleman will look at page 5 of our report, the gentleman will see the views of the Department of Justice to the effect that "the Government should publicize the existence of such propaganda along the lines of this hearing."

The Department of Justice took a specific, affirmative position on this legislation.

Mr. CUNNINGHAM. I have page 5 before me, and I just asked a simple question: Where can I see these views?

This is a small portion of them. I would like to see the written views the gentleman is talking about.

Mr. WALTER. I have just been informed that, for some reason or other, the hearings have not been printed, but they are available. Our committee has them. The testimony of all the departments is available.

Mr. CUNNINGHAM. Were these hearings held this year?

Mr. WALTER. They were held on the 13th of September.

Mr. CUNNINGHAM. Were these department people who testified in favor of this bill? And will the hearings be printed?

Mr. WALTER. That is correct. They testified in support of this bill. I know of no opposition to the bill. It seems to me that we have been a long time in taking this step toward alerting the American people to the menace which apparently we do not recognize, and which is just as serious as any of the other activities of the common enemy.

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

Mr. WALTER. I yield.

Mr. LINDSAY. I would like to ask the gentleman some additional questions to those asked. Does the administration support this amendment that is being offered to the present bill?

Mr. WALTER. Yes, it does. I just this minute said that the Attorney General, the Postmaster General and the Treasury Department all endorse it. And I might say that the Postmaster General says that this does not impose a very difficult duty on the Department.

Mr. LINDSAY. Reference has been made to appropriate notices posted in post offices. What would those notices say?

Mr. WALTER. Those notices would say that there have been received $x$ number of bags of mail from behind the Iron Curtain addressed to boxholders or to various clubs—things of that sort. This is probably Communist propaganda, because at the moment the Russians are engaged in a long-range program of softening up the American people.

Mr. LINDSAY. Suppose the box holder opens up his box and finds he has some literature or mail from a perfectly proper domestic organization which is advancing a point of view? Must he assume from that that there is some connection between the sign on the post office wall and the mail that he is receiving?

Mr. WALTER. I do not think so.

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

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

Mr. WILLIS. If the gentleman will look at page 6 of the report he will see in answer to his question, which is a very good one, how will these proposed notices be effectuated. We even suggest a form of notice to be sent to prospective recipients of mail. In substance it would work this way. Even under the present law the postal authorities can open up—they cannot break the seal—but they can open a sack of mail. They can get the list of the people being propagandized even by first-class mailers. Then the bill reads that the Postmaster General shall do certain things; and we suggest that the Postmaster General may contact these people with this form of letter.

> Unsolicited Communist propaganda is being disseminated by mail and other means to persons in this country from the Soviet Union, the Soviet-bloc countries, Cuba, and other places outside the United States. Such propaganda is one means of attempting to promote the objectives of the international Communist movement.

Then they tell those people in effect, "You are going to be receiving mail. We are not going to open your mail but you are going to be receiving these things and you should be on guard."

Mr. LINDSAY. How many persons is it anticipated will receive such notices from the Post Office?

Mr. WALTER. It depends entirely on the intensity of the drive as they are being mailed.

Mr. LINDSAY. I am just trying to get some idea of the administrative proportions of the job.

Mr. WALTER. The Postmaster General says that he is prepared to administer this sort of law no matter what the requirements may be. It would not cost as much as it did under the other provision.

Mr. LINDSAY. How will the recipient know which mail he can return? Suppose he receives a lot of junk mail? Who makes the decision whether the mail being received is entitled to be returned?

Mr. WALTER. The mail comes from abroad. The recipient is warned what

it is, and he is the first to decide that he does not want it.

I happen to have a first-class letter here. This man sent me this several weeks ago with a very pathetic letter. This has not been opened. I examined it, and I had some experts examine it. This man wrote me a letter in which he said:

This is Communist propaganda and I do not want to receive it because if I do, then my whereabouts will be known and my sister will be affected.

Mr. LINDSAY. The Post Office sends notice to the recipient that Communist mail is coming to his home. Does the Post Office specify what it is?

Mr. WALTER. Of course not, because the Post Office does not know what it is.

Mr. SCHERER. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, of course I am going to support this bill, but this is a powder-puff approach and it certainly will not do what the American people want this Congress to do, and that is to stop this subsidizing of Communist political propaganda.

We have a Russian tiger that is getting pretty vicious. He used to be in the woods, but now he is right on our front doorstep. This bill would give us a powder puff to fight him with when what we need is a sledgehammer to knock him between his two eyes. I do not know when the people in Government and some of the people of the United States are going to realize just how dangerous a situation we are in.

What the proposal here before you does is to partially reinstate the arrangement under President Truman and President Eisenhower wherein they would intercept this Communist political propaganda and send a notice to the recipients suggesting they may receive some Communist propaganda. Under the Eisenhower program they were asked if they wanted to receive it. Of course they would say no. Then on March 17 the President rescinded that regulation, and since then all of this Communist political propaganda has come here in huge amounts. In July I believe 1,200,000 pieces, mostly selling us and brainwashing us as far as the Communist position in Berlin is concerned, was received at ports of entry. All this was delivered free by our postal department under the Kennedy order.

The administration has the right to reimpose what President Truman and President Eisenhower had in effect. I do not know why they do not have the courage to come right out and do it. I do know that millions of people are disturbed about the administration's action on March 17 of this year.

Perhaps the administration now has no objection to this bill so that the Congress does it when in effect, they are the one who should do it. This could be done by administrative action. I said that this is a powder-puff approach to this problem. You will recall, and it has been discussed here, the amendment which I had placed in the postal rate bill, and also the separate bill, H.R. 9004, which I introduced. That is the only way we are going to stop this Red political propaganda from entering our country and being delivered free by the Postal Department.

What many Members probably do not understand is that this involves what is called the Universal Postal Union. This is a sort of unofficial treaty arrangement and is as old as this country. It provides for an interchange of mail between about 104 countries. Under this arrangement, if you want to send a letter to France, you put the appropriate American postage stamps on it, and the letter goes to France. They deliver it. The postage, which is American, we retain here in our Treasury. If you want to send a letter from France to the United States, you put the French postage on it and they retain the money and we deliver it free. This is a good arrangement, and it tends to balance itself out. But, since World War II, since communism has been on the ascendancy, trying to get at our youth, using propaganda as their major weapon, they have taken advantage of this Universal Postal Union arrangement. They have violated the terms of the agreement just as they have violated everything else. They do not deliver the material that we send over to the Communist countries. We all know that. They will not even allow our radio programs to get to their people whereas we admit all this propaganda for free delivery. So we know that they do not allow our material to go into the Russian-controlled countries and we are suckers once again. We allow their stuff to come here, and we deliver it free of charge under this agreement. I say they have violated this treaty unilaterally and I, certainly, think we ought to take cognizance of it and say that no longer are we going to be suckers and distribute their millions and millions of pieces of Communist propaganda which, as I say, goes to our youth primarily. If they have broken the treaty arrangement why should we not withdraw from it as provided in H.R. 9004?

I say again that the vast majority of the American people want to stop this Red subsidy, and I might say also to reduce the postal deficit. This bill does not touch that problem.

It was just this week that every Member of this Congress received this Communist political piece which I hold in my hand from the Russian Embassy here. It is mailed under third-class mail and it has as its purpose to brainwash us and it outlines what the Communist position is on East Berlin. This type of Communist propaganda will not be controlled and the committee's proposal before us will have no effect on it. The bill I introduced and the amendment in the postal rate bill will take care of this sort of thing.

The proposal before us has three points. It says, first of all, there shall be a notice in the post office. A notice in the post office does not mean a thing. I am a former employee of the Treasury Department, and I have had some experience which indicated whether people read notices on the post office bulletin boards. There is not one in a million who will look at a notice in the post office unless they look at the posters that say, "So-and-So is wanted" because he is the No. 1 criminal in the country.

Furthermore, the bill before us says that a person, if he gets this post office letter, may say that he does not want it. Well, you cannot do that under the present regulations on third-class mail, which most of this is. I know there has been an increasing amount of third-class mail. Only on first-class mail can you write the word "refused" and return it to the Post Office Department. I say that this is only a powder-puff approach. Of course, it is a step which this Member of Congress will support. We have no other course, unless and until we approve my amendment to the postal rate bill or pass the separate bill, H.R. 9004, which I introduced on August 31, and which many Members support through the introduction of companion bills.

Mr. Speaker, I do not want the American people to be fooled. This is not going to stop the inflow of this material. It is not going to stop us from being suckers. By delivering it free, we will continue to subsidize the Communist conspiracy.

I hope the American people will not be lulled to sleep by the passage of this bill. I hope they will continue to demand that we stop the free delivery of Communist propaganda entering this country. And the only way this can be accomplished is to support my bill, H.R. 9004. It is constitutional, foolproof, and will cut down the so-called postal deficit. The bill before us will do neither of these things. In fact, it will add to the Post Office deficit which is an intolerable situation.

Mr. SCHERER. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, propaganda is by far the most effective weapon being used against us in the so-called cold war in which we are now engaged. In fact, the Communists consider propaganda as the basic and essential weapon in their subversion of the free world.

We are spending billions to protect this Nation against the missiles and other nuclear weapons of the Soviets should the current struggle turn into a shooting war. Meanwhile, we are doing very little to combat or offset the insidious and diabolical weapon of Communist propaganda which is growing at an alarming rate.

Last year over 21 million pieces of clever, vicious, and poisonous propaganda printed in 13 different languages came into this country through the U.S. mail. This figure does not include first-class mail containing propaganda which is increasing at a tremendous rate during the past 6 months.

Under the opinion of Attorney General Robert Jackson in the Roosevelt administration, Customs and the Post Office Department held up a small part of the bulk mail which was unsolicited and unlabeled. On March 17 of this year, President Kennedy by Executive order, in effect, reversed this Attorney General's ruling and ordered all propaganda solicited or unsolicited delivered to the addresses. Since this order went into

effect, the flow of Communist propaganda into this country has increased 130 percent.

Under the Foreign Agents' Registration Act, passed in 1938, foreign political propaganda is required to be labeled so that the recipient may know that it is propaganda and the source thereof. He will then be better enabled to evaluate its content. It is analogous to our pure food and drug laws, which require certain medicines and food products to be labeled as to content so that a person might know what he is putting into his stomach.

The present Attorney General holds that, under the Foreign Agents' Registration Act, it is impossible to compel the labeling of propaganda which is mailed into this country from outside the United States. Therefore, efforts to amend the Foreign Agents' Registration Act have been abandoned.

The Committee on Un-American Activities has explored a number of legislative avenues whereby we might combat and offset the effectiveness of the flood of Communist propaganda coming into this country from abroad. Some of the procedures and programs suggested have met with practical, legal, or constitutional objections and roadblocks. Everyone consulted, including the members of the committee, feel that there cannot possibly be any legal or constitutional objections to the provisions of the Walter bill before us.

One can readily see that this bill carries out the spirit and intent of the Foreign Agents' Registration Act passed way back in 1938. Since, as I have said, under the Attorney General's opinion, we cannot force the labeling of this material which is mailed from abroad, we can and do by this bill, in effect, label this material ourselves. Those who are worried, many times unduly, about censorship should certainly support this measure since there is no censorship whatsoever.

All mail is delivered unopened to the addressee. Under this bill the Government of the United States, exercising its right of free speech, calls to the attention of the recipients of mail, its source, and the nature of the mail so the individual can better evaluate what he is reading.

This bill before us certainly is not the complete answer to the problem. It may not be the ideal counterweapon against the Communist propaganda attack. Under any test, it is better than doing nothing. How effective it will be, only time will tell. We will, in all probability, need to do something more. This legislation may prove to be a positive, effective, educational counterweapon in the fight against internal subversion.

Mr. Speaker, I know there are some people who say that the Committee on Un-American Activities is exaggerating and overemphasizing the danger of the current Communist propaganda campaign, and that this propaganda is having no substantial effect upon the people to whom it is directed. Let me give you just one or two examples of the many that have been disclosed during the hearings of our committee; of just how people who are targets of this propaganda feel and react to the material with which they are being bombarded. In the record we find this letter written by a woman to a postal official which reads in part, as follows:

> Lately I have been receiving propaganda from abroad. I do not know who sent my name in or how they found my address. Please return this material. My husband and I do not want trouble with this Government.

One person begs:

> Please do not let these things pass through. I do not need this smelly stuff.

A former resident of Berlin has this to say:

> I would like to advise you that I do not want any mail sent to me sealed from Berlin. This is a black, dirty Communist Party literature to return us new Americans to our native countries. I am loyal to my new home, the United States of America, and do not want to hear any of that kind of literature. Please destroy all that.

A group of displaced persons wrote as follows:

> We, the displaced persons, been getting by mail Communist propaganda here in five different languages. First, it started with small sheets now they are mailing large printed sheets over every other month calling us back, it is our duty to be back in your own country. We shorten the working hours and raise the pay 30 percent, don't slave there, they don't want you there where you are now slaving your life out.
>
> We are very sorry we cannot give our names and addresses in this letter; we are in fear of danger same as five Russian seamen been kidnapped from here, most of us are as citizen now. All we ask kindly to stop the propaganda mail coming over so we can live peacefully; we don't want their propaganda here and we don't want to be victims.

A professor at one of our universities said in handing the committee this magazine with three attractive girls on its cover:

> Here is a bit of East German literary work. It is to be assumed that it is being circulated in appreciable quantity in this country by mail.
>
> I am concerned about the influence of this propaganda upon the average person in this country. While one may argue that no red-blooded American could ever be affected by this literature, it is my experience that it requires more than an ordinary degree of sophistication in these matters to become fully aware of the presumptuousness of this magazine.
>
> This is obviously a government-subsidized venture; no East German publisher is in a position to finance this grade of translation which, by Iron Curtain standards, is of excellent graphic quality. They take unfair advantage of the absence of censorship by the U.S. mail to further their shady cause, which is to cast doubt upon the U.S. position toward Russia. They provide additional eyewash for those who are eager to forget the Hungarian struggle for freedom, and to break down American morale by "proving" that the Russians aren't so bad after all.
>
> This is sneaky business. It is an example of the new twist in Red psychological warfare.
>
> The stuff is poisonous. Maybe some education by your committee of potential recipients of such propaganda would help.

This bill which we are considering today, will do exactly what this professor suggests.

George Sokolsky in a recent column, in his usually effective way, pinpoints the issue. He wrote:

> I hold in my hand a magazine similar to hundreds, perhaps thousands, that have been sent Hungarians living in the United States, which shows that the Communists in Budapest have the addresses of Hungarians in the United States in detail. It is obvious that this is a propaganda magazine. The question that bothers me is how the Communists got the addresses of all the Hungarian refugees in the United States. Is the Post Office of the United States to be used to put pressure upon persons living within the United States? Hungarians in this country are incensed at receiving these unsolicited papers.
>
> The Hungarians could not have had all these names and addresses unless they maintained a large espionage system in this country. How could this magazine get these addresses in such minute detail unless someone in the United States compiled a list? It takes time, labor, and expense to get up such a list of hundreds or thousands of persons scattered all over the United States. Who does this job?
>
> Neither the State Department nor any other agency of the Government is entitled to cover up for spies on the ground that we do not wish to have bad relations with a country. Why these spies are permitted to operate is not readily explainable except that our laws give them an advantage that does not exist in any other country.

Of course, I would not want to lead you to believe that the propaganda is directed solely to nationality groups and those who have ties in Iron Curtain countries. In fact, only a small percentage of the total propaganda coming through the mails is devoted to this group. Of the more than one thousand different types of these periodicals which come to our shores each year, the great mass is printed in English and goes to native-born Americans; to our libraries, colleges, seminaries, and to people with extreme leftwing propensities who are in positions to mold American opinion.

There is another facet to this Communist propaganda offensive. Some months ago the country was flooded with what purported to be scientific radio journals from the Soviet Union. Great prominence was given in these journals to a quiz for ham radio operators. A series of prizes were offered to the winners.

It is significant that, after the contestant had answered the questions, which in themselves were filled with propaganda, he was asked to give his address, the call letters of his radio station, and other pertinent information about his activities as a ham operator. It would be presumptuous for me to detail how highly valuable such information is, not only to the propagandists but also to the Russian secret police.

Our postal and customs officials testified that of the tremendous number who participated in this contest, several thousand won the second prize. It was a copy of a publication entitled "Radio Moscow." The Communists certainly got a lot of mileage out of the rubles spent on this one.

Perhaps the most revealing development was brought to light in hearings at New York. These hearings were being held a few months after the Hungarian revolution. One of the exhibits was a

magazine dated a few months before the Hungarian freedom fighters rebelled against Communist oppression. It was published in Hungary, but printed in English, and widely distributed in the United States.

It was interesting to read, immediately after the revolution, from this propaganda sheet printed immediately before the revolution, how the Hungarian people were happy and content and how they were prospering under the Communist regime. This piece of propaganda was done so cleverly that, had not the revolution and subsequent Russian atrocities taken place, thousands of Americans, particularly those of Hungarian extraction, would have been duly convinced of the alleged success of a benevolent Communist regime in Hungary.

Just what kind of material have these people been complaining about?

Here is a highly cultural and elevating treatise, thousands of which have been distributed not only in the United States but also in most of the countries of the free world. It is part of the evidence taken from the mail sacks during the hearings of our committee in Buffalo. It was printed in Communist China in 1958. It is entitled, "Data on Atrocities of U.S. Army in South Korea." Here are a few choice, high-level quotes:

From the very first day of their occupation, the American imperialists have been trying hard to convert South Korea into a project for squeezing out maximum profit for the millionaires of Wall Street and an outpost for their aggression of the Asian continent.

A little further on we read this:

The American imperialists since 1950 have committed atrocities unprecedented in the history of mankind in their aggressive war in Korea. They have massacred at random innocent people in Korea. They have destroyed and pillaged more than 5,000 schools, 1,000 hospitals and clinics.

Again we read:

The American soldiers arrested Kim Bu Ing, a dockworker in Inchon, for the only reason that she was a member of the Women's Union. After violating and torturing her by every means, they stripped her naked, burnt her with a heated iron poker and then killed her.

On another page we find this:

That same month, the American soldiers arrested a peasant only because he was a model farmer, passed wire through his nose and ears, pierced his hands with a bayonet, nailed the words "model farmer" on his forehead and dragged him around the village before they killed him.

This highly cultural periodical then proceeds to tell what the American soldiers did to this farmer's daughter-in-law. It is so henious, vile, and filthy that I am unable to quote what it says.

As late as February 25, 1958, it is alleged that:

U.S. soldiers beat a Korean boy, aged 13, and stabbed with a knife his legs and arms on the false charge of theft. The boy was put into a box, the lid was nailed down, it was loaded into a helicopter which took the box north of Seoul where the cargo was dumped, and the boy left to die.

This piece of lying propaganda contains accounts of hundreds of other similar alleged atrocities. Being unmarked and unlabeled, people reading it after it was distributed by members of the Communist Party in the United States would have no knowledge whatsoever of the fact that it came from the propaganda mills of Red China, particularly since most of the editions were printed in English.

Under the provisions of the Walter bill, persons receiving this kind of propaganda would be notified by the Post Office Department as to the nature and source of this material.

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

Mr. SCHERER. I yield.

Mr. LINDSAY. That is the very question that has me puzzled. Who knows what is being received? Suppose a housewife receives a communication from the League of Women Voters and decides it is Communist propaganda and sends it back to the post office. Who decides whether the lady is entitled to send it back.

Mr. SCHERER. I think the gentleman is straining the gnats.

Mr. LINDSAY. Who makes the decision that the Post Office Department should return the mail?

Mr. SCHERER. If the individual recipient of the mail refuses it under this bill on the ground that it is Communist propaganda, I do not think there is any doubt but what the Post Office would pay for having it redelivered.

Let me say that experts in this field, who have been handling this propaganda for years, can spot this mail whether it comes in as first-class or some other class. They are experts. I do not have time to go into the means by which they do this, but they are able to put their finger on every piece of Communist propaganda that comes in. The customs and post office experts are aware of almost every piece of Communist propaganda that comes into this country.

Mr. LINDSAY. How does the housewife know?

Mr. SCHERER. Probably the housewife does not know, but she is warned that she has gotten Communist propaganda.

Mr. LINDSAY. Mr. Speaker, I intend to vote against this bill. This is another example of the danger of passing hastily thrown-together bills under the limited procedure of suspension of the rules in the last week of the Congress.

I have been given no answer to the questions that I have raised. The bill provides that the Post Office Department may notify recipients of Communist propaganda that they are receiving such propaganda, and the Postmaster General is required to permit the return of the mailing to the post office. There are no standards and no definitions in the bill. We do not know who is responsible for making the decision that propaganda is being mailed, and from my reading of the bill, if a housewife returns a piece of literature from the humane society to the post office under the belief that it is Communist propaganda, the Post Office is given no standard under which it can determine whether it is or not.

Apparently the Post Office will be required to assemble a list of persons in the United States receiving Communist propaganda; if not, how else will the Post Office be able to notify recipients of such mail that they are receiving it?

As I understand it from the remarks of the author of the bill on the floor, the hearings on this new legislation have not even been printed. Therefore, how can those of us who wish to examine a matter of this importance with some care be in a position to do so?

Mr. Speaker, this legislation is vaguely drafted and should be far more carefully considered.

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

Mr. SCHERER. I yield.

Mr. BECKER. As the gentleman knows, I have received mail that has been turned over to me by housewives in my district, who objected.

Mr. SCHERER. That is right. I have referred to some of the people who have received this type of mail and have objected.

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

Mr. SCHERER. I yield.

Mr. RYAN. How is the recipient going to be notified that in the opinion of the Post Office this is Communist propaganda? Is it going to be by separate letter from the Post Office accompanying each piece of alleged propaganda to the recipient?

Mr. SCHERER. The Post Office can send a separate notice with the propaganda or a general notice before or after the same is received.

Mr. RYAN. Let me ask this further question.

Mr. SCHERER. No, let me finish. Let me say to the Members who have been worried about censorship, and many times unduly so that this bill provides no censorship. This is an exercise of free speech by this Government to advise people of the type and the source of Communist propaganda with which they are being bombarded.

It happens that the Communists have found a loophole in the Foreign Agents Registration Act and they are not labeling it. Some Members of the House have complained about our attempts to amend the Foreign Agents Registration Act because it would amount, so they claim, to censorship. We get away from possible claim of censorship in this bill.

Mr. RYAN. If the gentleman will yield for one further question: Does this require the Postmaster General to set up and maintain a list of so-called recipients of Communist propaganda?

Mr. SCHERER. No, it does not.

Mr. RYAN. How are you going to determine to whom to send this notice?

Mr. SCHERER. Because the postmaster will know. Let me give you an example. Many times when the Communists want a certain nationality group to take a certain position—is the gentleman listening?

Mr. RYAN. I am.

Mr. SCHERER. The Post Office and Customs Departments know that many times when the Communists want a certain nationality group in this country to

take a position on a certain political question before the country, that particular nationality group is flooded with Communist propaganda. All the postmaster has to do is to send a general notice to those in the particular area where the nationality group resides.

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

Mr. SCHERER. I yield to the gentleman from New York.

Mr. OSTERTAG. May I preface my question by referring to the report in which it points out:

> The purpose of this legislation is to deal with certain aspects of the rather complex problems arising by reason of the influx from abroad, and the dissemination within the United States of millions of pieces of Communist propaganda, largely transmitted in the U.S. mails to the residents thereof.

My question: What is the situation with regard to Communist propaganda which originates here in the United States and is disseminated among the people?

Mr. SCHERER. This bill will cover the situation the gentleman outlines. Furthermore under the Subversive Activities Control Act, which I hope the Supreme Court will again sustain this month, the Communist Party here is required to label propaganda it disseminates in this country.

Mr. WALTER. Mr. Speaker will the gentleman yield?

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

Mr. WALTER. The Supreme Court has held that the committee cannot expose for exposure's sake. They carry this theme as far as they possibly can in all their decisions. Is it not the fact that your committee felt this was the opportunity not to expose for exposure's sake but to make the truth known for America's sake?

Mr. SCHERER. The gentleman's observation is correct.

I do not think this bill is the final answer for combating the Communist propaganda assault. I think we are going to have to do something more. But certainly this bill is going to furnish an educational counterweapon against this vicious Communist propaganda.

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

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

Mr. ROUSSELOT. Mr. Speaker, I rise to support H.R. 5751, the bill to crack down further on Communist propaganda entering the United States as reported by the House Un-American Activities Committee. I am disappointed that this bill does not go as far as the Cunningham amendment which was added to the Postage Revision Act, H.R. 7927, which I supported vigorously in the House Post Office and Civil Service Committee debate.

The Cunningham amendment would have gone much further in insuring that the insidious, subtle, and devious propaganda now flooding this country from Communist Russia, its satellites, so-called neutral countries, and even our allies under false names and guises be put under a more careful control of the Attorney General's Office. The Cunningham amendment to the Postage Revision Act would have demanded a greater surveillance and participation on the part of the Government not only to inform the American public of the kind of literature entering the country but also to prevent the free use of the mails for this purpose under cultural exchange and/or other international postal agreements. The Cunningham amendment was constitutional in every respect according to extensive research by the gentleman from Nebraska, and I would have much preferred to have seen this concept written into our legislative books.

However, the bill before us under suspension of rules today by the gentleman from Pennsylvania [Mr. WALTER] is a step in the right direction and is a bill I encourage the Members to support fully. I do hope that the concepts presented in the Cunningham amendment will somehow be enacted into legislation in the very near future, if not before Congress adjourns this year.

GENERAL LEAVE TO EXTEND

Mr. WALTER. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks on this bill, H.R. 5751, in the RECORD.

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I strongly favor this effort to halt the dangerous flow of Communist propaganda into this country, and hope H.R. 5751 will be overwhelmingly approved. It will provide a much needed new weapon to fight subversive forces in our midst, and to check the subversion of our people from abroad.

Mr. ROGERS of Florida. Mr. Speaker, recently there has been a great deal of concern voiced in my district about the flow of Communist propaganda into this country.

The organized Communist front has been protected by the very tenets of freedom it has vowed to destroy. While millions of packages of alien literature have been delivered in this country, the Federal Bureau of Investigation, customs authorities, and Post Office Department have been helpless bystanders. If a move was made to correct this paradox, it was done on a temporary basis. Those who opposed the interception of propaganda did so with arguments based on the first amendment, crying that this country was not upholding the basic right of freedom of speech.

This example is commonplace. Literature and other forms of propaganda are delivered daily in this country. This matter would be easier to deal with if it came from one source, but the Soviet Government operates through a variety of front groups. These organizations, as official as Pravda, are located all over the world.

Mr. Speaker, 1959 saw an increase of 40 percent in the volume of this material. The danger of Communist propaganda lies in the deception of its arguments and such practices as extortion and blackmail. It represents a true threat to this country by attempting to undermine America's ideals from within. It is for this reason that I call upon the membership of this body to join me in support of this legislation to take action against this Communist propaganda.

Mr. ROUSH. Mr. Speaker, I compliment the House Committee on Un-American Activities for bringing this bill to the House for action. Communism is a constant threat—a threat which imposes itself upon us in many ways. There is the awesome and fearsome threat of the use of missiles armed with nuclear warheads. There is the economic threat which stands as a cloud on the horizon as we see the Communist-bloc nations increase their industrial capacity. But, Mr. Speaker, the most ominous and deadly of all threats is one which stands as a silent disease, which if permitted to go by uncontrolled, gradually will deprive us of our greatest strength. I refer to the threat against men's minds which comes in the form of propaganda from those who believe in the principles of communism.

Although the Subversives Control Act of 1950 was aimed at the control of the activities of those individuals and organizations adhering to the doctrines and instructions laid down by Communist theorists, the Communist conspiracy still has managed to increase the flow of propaganda items through the U.S. mail. In 1960 this volume increased 137 percent over 1959. During 1959, the U.S. customs service processed over 6 million packages of Communist propaganda containing over 10 million items of printed matter. In 1960, over 14 million packages were processed containing in excess of 21 million items of printed matter. This does not include items of first-class mail containing Communist propaganda, now increasing in amounts.

The objectives of this propaganda is to advance the policies and goal of the world Communist movement. It is designed to win men's minds using the corrupt principle that the end—which is the establishment of Communist totalitarian dictatorships in countries throughout the world—justifies any means for the accomplishment of that end and as the committee has stated, "expressly repudiates the spiritual, moral compulsion for truth and decency to which the United States and other free societies in principle adhere."

We believe that the most effective of all weapons against this propaganda is the truth for the "truth shall make us free." This legislation will inform our people of the nature, origin, and contents of Communist propaganda activity. Mr. Speaker, I urge the passage of this bill.

Mr. DOYLE. Mr. Speaker, I rise in cordial and vigorous support of H.R. 5751, authored by the distinguished chairman of the Committee on Un-American Activities of this great legislative body, on which committee I have now had the responsibility of being a member for about 14 years. In what must necessarily be a brief statement, on account of the parliamentary situation, I inform the House that a couple of years ago I was a member of a subcommittee which sat in investigation and had hearings on this very problem of

Communist propaganda being received through the U.S. mails from either the Soviet Union itself or its satellites. So, I speak with some knowledge of the vast quantities of Communist propaganda items entering our Nation as uninvited guests to American citizens who have not asked to be recipients of this Communist propaganda, some of which comes through the mail sacks of foreign embassies and some which comes through, postage paid.

Just recently have I received three pieces of mail, second or third class, according to U.S. postal rates, by postage paid and actually delivered by the letter carriers in one of the cities in my congressional district in Los Angeles County, Calif. Each of the three recipients redelivered it to the postmaster with instructions to return it to the Communist nation satellite from which it had been mailed. The postmaster thereupon, with the consent of the recipients, sent it to me for my information. This occurred just last week and I have asked the Congressional Library to furnish me full interpretation of all the contents thereof.

This bill does not entirely meet the problem, nor will any one piece of legislation, in my humble judgment, meet the difficult major problem involved. But, my colleagues, it will help stop at least some of the damage to our American way of life which was anticipated would result by those publishers or distributors of this Communist propaganda—always attractively printed. This bill put into active effect will fool the Communist propagandists in a very substantial proportion of the incidents, in my humble judgment.

It is true it does not go as far as some of us would wish, but we must always only pass legislation which is on its face constitutional and in accordance with the established laws of our beloved Nation. We should not do less, for to do so would only postpone the coming into effect of any timely legislation designed to help stop the floodgates of Communist propaganda now coming en masse to American citizens. This is the case because, in my judgment, without a doubt the Communist Party in the United States, and some of its supporters and joint propagandists, will undertake court tests in the premises to cause delay. We may anticipate that with reasonable certainty, I believe. But, Mr. Speaker, if the Supreme Court of the United States reaffirms its recent majority decision, the text of which I placed in the CONGRESSIONAL RECORD a few weeks ago, when that rehearing comes before our highest Court next month, or soon thereafter, then the Communist Party in the United States will be forced to register because the Court will have again found it to be an agent of a foreign nation. And, by that reaffirmation of its decision in the Subversive Activities Control Board case—reaffirmed as constitutional, binding and factual, the language in legislation and reports submitted to you by your House Un-American Activities Committee will again be approved.

In my judgment, this bill does nothing to interfere with the freedom of thought, freedom of worship, freedom of speech by any American citizen. When put into substantial effect, it appears to me as reasonably certain it will substantially interfere with the freedom of activity of subversive communism to infiltrate the very lifeblood of our American citizens.

And so, I would think and respectfully suggest that this bill, being a substantial beginning in an area which must needs have the most urgent and immediate effective legislative control, should receive, it is my belief and hope, unanimous approval.

Mr. Speaker, just last week I received from one of the postmasters in my district a book consisting of 317 pages printed in the Hungarian language, beautifully illustrated in color on almost every page. This book had been returned to said postmaster by a resident of his city in my congressional district with word from the citizen he did not wish to receive any mail from Hungary. So, I asked the Library of Congress to look over the book and tell me briefly what it seemed to be. Here is the report to me from the Congressional Library dated September 15, 1961:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
*Washington, D.C., September 15, 1961.*

To: The Honorable CLYDE DOYLE, U.S. House of Representatives.

From: Elemer Bako, Hungarian Reference Librarian, Slavic and Central European Division.

Subject: A Magyar Hirek Kincses Kalendáriuma, 1961.

The A Magyar Hirek Kincses Kalendáriuma (Budapest, 1961) is a calendar published by Magyar Hirek, a journal of the Magyarok Világszövetsége (World Federation of Hungarians) in Budapest. It contains articles, short stories, poems, quotations, statistical, historical, and other data as well as semiofficial material on Hungary concerning political, social, economic, and other changes which have occurred since the Communist Party seized power in 1948.

While the professed policy of the publishers (as expressed on p. 36) is to avoid Communist propaganda and criticism directed at the political structure of the countries where Hungarian refugees live, the majority of the contributions to the volume contain remarks or statements against capitalism, "warmongers," "champions of the cold war strategy," emigré organizations, the Free Europe Committee, anti-Communist individuals, etc.

It also contains numerous misleading statements on the actual handling of the refugee problem by Hungarian authorities. While Hungarian newspapers publish numerous letters and articles which are critical of many aspects of collective production methods, this volume contains only praise for the present system in Hungary, and propagandizes state agencies, Communist heroes, holidays, etc.

However, derogatory or critical remarks in the form of direct references to the United States are few.

Mr. ALGER. Mr. Speaker, I want to join the gentleman from Ohio [Mr. SCHERER] and the gentleman from Pennsylvania [Mr. WALTER] and other colleagues who are so concerned about the free distribution by the postal department of Communist literature throughout the United States. It is bad enough to distribute propaganda free; it is much worse when it is material designed to subvert our society, our Government, and our free way of life. I want to commend the House Un-American Activities Committee for their valiant work in opposing the distribution of this Communist literature and join with them in this effort. It is my hope and my appeal to my colleagues that we will not rest with this bill but go much further in banning the distribution, free or otherwise, of Communist material throughout the United States.

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

The SPEAKER pro tempore. The question is on the motion of the gentleman from Pennsylvania that the House suspend the rules and pass the bill, H.R. 5751, with an amendment.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 369, nays 2, not voting 64, as follows:

[Roll No. 212]

YEAS—369

| | | |
|---|---|---|
| Abbitt | Cook | Gubser |
| Abernethy | Corbett | Hagan, Ga. |
| Adair | Corman | Hagen, Calif. |
| Addabbo | Cramer | Haley |
| Addonizio | Cunningham | Halleck |
| Albert | Curtin | Halpern |
| Alexander | Curtis, Mass. | Hansen |
| Alford | Curtis, Mo. | Harding |
| Alger | Daddario | Hardy |
| Andersen, Minn. | Daniels | Harris |
| | Davis, James C. | Harrison, Wyo. |
| Anderson, Ill. | Davis, John W. | Harsha |
| Andrews | Davis, Tenn. | Harvey, Ind. |
| Ashbrook | Dawson | Harvey, Mich. |
| Ashley | Delaney | Healey |
| Ashmore | Dent | Hechler |
| Aspinall | Denton | Hemphill |
| Auchincloss | Derounian | Henderson |
| Avery | Devine | Herlong |
| Bailey | Diggs | Hiestand |
| Baker | Dingell | Hoffman, Ill. |
| Baldwin | Dole | Hoffman, Mich. |
| Baring | Dominick | Holifield |
| Barrett | Donohue | Holland |
| Barry | Dorn | Horan |
| Bass, N.H. | Dowdy | Hosmer |
| Bass, Tenn. | Downing | Huddleston |
| Bates | Doyle | Hull |
| Battin | Dulski | Ichord, Mo. |
| Becker | Durno | Ikard, Tex. |
| Beckworth | Dwyer | Inouye |
| Beermann | Edmondson | Jarman |
| Belcher | Elliott | Jennings |
| Bennett, Fla. | Ellsworth | Jensen |
| Bennett, Mich. | Everett | Joelson |
| Betts | Evins | Johansen |
| Blatnik | Fallon | Johnson, Md. |
| Blitch | Farbstein | Jonas |
| Boland | Fascell | Jones, Ala. |
| Bolling | Feighan | Judd |
| Bolton | Fenton | Karsten |
| Bonner | Findley | Karth |
| Bow | Finnegan | Kastenmeier |
| Boykin | Fino | Kearns |
| Brademas | Fisher | Kee |
| Bray | Flood | Keith |
| Breeding | Flynt | Kelly |
| Brewster | Fogarty | Keogh |
| Bromwell | Forrester | Kilday |
| Broomfield | Fountain | Kilgore |
| Brown | Frelinhuysen | King, Calif. |
| Broyhill | Friedel | King, N.Y. |
| Bruce | Fulton | King, Utah |
| Burke, Ky. | Gallagher | Kirwan |
| Burke, Mass. | Garland | Kitchin |
| Burleson | Garmatz | Knox |
| Byrne, Pa. | Gary | Kornegay |
| Cahill | Gathings | Kowalski |
| Cannon | Gavin | Kunkel |
| Cederberg | Giaimo | Kyl |
| Celler | Gilbert | Laird |
| Chamberlain | Glenn | Landrum |
| Chelf | Goodling | Lane |
| Chenoweth | Granahan | Langen |
| Chiperfield | Grant | Lankford |
| Church | Gray | Latta |
| Clancy | Green, Oreg. | Lennon |
| Clark | Green, Pa. | Lesinski |
| Coad | Griffin | Libonati |
| Cohelan | Griffiths | Lipscomb |
| Collier | Gross | Loser |
| Conte | | McCormack |

| | | |
|---|---|---|
| McCulloch | O'Konski | Sibal |
| McDowell | Olsen | Sikes |
| McFall | O'Neill | Sisk |
| McIntire | Osmers | Smith, Calif. |
| McMillan | Ostertag | Smith, Iowa |
| McVey | Passman | Smith, Miss. |
| Macdonald | Patman | Smith, Va. |
| MacGregor | Perkins | Spence |
| Mack | Peterson | Springer |
| Madden | Philbin | Stafford |
| Magnuson | Pike | Staggers |
| Mahon | Pillion | Steed |
| Mailliard | Poage | Stephens |
| Marshall | Poff | Stratton |
| Martin, Mass. | Price | Stubblefield |
| Mason | Pucinski | Sullivan |
| Mathias | Quie | Taber |
| Matthews | Randall | Taylor |
| May | Ray | Thompson, N.J. |
| Meader | Reece | Thomson, Wis. |
| Merrow | Reifel | Thornberry |
| Michel | Rhodes, Ariz. | Toll |
| Miller, Clem | Rhodes, Pa. | Tollefson |
| Miller, George P. | Riehlman | Trimble |
| Miller, N.Y. | Riley | Tuck |
| Milliken | Rivers, Alaska | Tupper |
| Mills | Rivers, S.C. | Udall, Morris K. |
| Minshall | Roberts | Ullman |
| Moeller | Robison | Utt |
| Monagan | Rodino | Vanik |
| Montoya | Rogers, Colo. | Van Pelt |
| Moore | Rogers, Fla. | Van Zandt |
| Moorehead, Ohio | Rooney | Wallhauser |
| Moorhead, Pa. | Rostenkowski | Walter |
| Morgan | Roudebush | Watts |
| Morris | Roush | Weis |
| Morrison | Rousselot | Whalley |
| Morse | Rutherford | Wharton |
| Mosher | St. Germain | Whitener |
| Moss | Saylor | Whitten |
| Murphy | Schadeberg | Wickersham |
| Murray | Schenck | Widnall |
| Natcher | Scherer | Williams |
| Nelsen | Schneebeli | Willis |
| Nix | Schweiker | Wilson, Calif. |
| Norblad | Schwengel | Wilson, Ind. |
| Nygaard | Scott | Winstead |
| O'Brien, Ill. | Scranton | Wright |
| O'Brien, N.Y. | Seely-Brown | Yates |
| O'Hara, Ill. | Selden | Zablocki |
| O'Hara, Mich. | Shipley | Zelenko |
| | Short | |
| | Shriver | |

NAYS—2

| | |
|---|---|
| Lindsay | Ryan |

NOT VOTING—64

| | | |
|---|---|---|
| Anfuso | Hays | Rains |
| Arends | Hébert | Reuss |
| Ayres | Hoeven | Rogers, Tex. |
| Bell | Holtzman | Roosevelt |
| Berry | Johnson, Calif. | St. George |
| Boggs | Johnson, Wis. | Santangelo |
| Brooks | Jones, Mo. | Saund |
| Buckley | Kilburn | Shelley |
| Byrnes, Wis. | Kluczynski | Sheppard |
| Carey | McDonough | Siler |
| Casey | McSween | Slack |
| Colmer | Martin, Nebr. | Teague, Calif. |
| Cooley | Moulder | Teague, Tex. |
| Dague | Multer | Thomas |
| Derwinski | Norrell | Thompson, La. |
| Dooley | Pelly | Thompson, Tex. |
| Ford | Pfost | Vinson |
| Frazier | Pilcher | Weaver |
| Goodell | Pirnie | Westland |
| Hall | Powell | Young |
| Harrison, Va. | Rabaut | Younger |

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

The Clerk announced the following pairs:

Mr. Hébert with Mr. Hall.
Mr. Harrison of Virginia with Mr. Arends.
Mr. Roosevelt with Mr. Bell.
Mr. Holtzman with Mr. McDonough.
Mr. Santangelo with Mrs. St. George.
Mr. Carey with Mr. Ford.
Mr. Powell with Mr. Derwinski.
Mr. Anfuso with Mr. Kilburn.
Mr. Boggs with Mr. Goodell.
Mr. Brooks with Mr. Teague of California.
Mrs. Norrell with Mr. Weaver.
Mr. Multer with Mr. Younger.
Mr. Moulder with Mr. Ayres.
Mr. Thompson of Louisiana with Mr. Hoeven.
Mr. Shelley with Mr. Byrnes of Wisconsin.
Mr. Sheppard with Mr. Westland.
Mr. Rains with Mr. Berry.
Mr. Rogers of Texas with Mr. Pelly.
Mr. Buckley with Mr. Siler.
Mr. Frazier with Mr. Pirnie.
Mr. Colmer with Mr. Martin of Nebraska.
Mr. Thompson of Texas with Mr. Dooley.

The title was amended so as to read: "A bill to amend the Subversive Activities Control Act of 1950 so as to provide for notification that the United States mails may contain Communist propaganda introduced into the United States from abroad, and for other purposes."

A motion to reconsider was laid on the table.

## MILITARY CONSTRUCTION APPROPRIATION BILL, 1962

Mr. SHEPPARD submitted a conference report and statement on the bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

## TELECASTING OF PROFESSIONAL SPORTS CONTESTS

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9096) to amend the antitrust laws to authorize leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts, and for other purposes, as amended.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the antitrust laws, as defined in section 1 of the Act of October 15, 1914, as amended (38 Stat. 730), or in the Federal Trade Commission Act, as amended (38 Stat. 717), shall not apply to any joint agreement by or among persons engaging in or conducting the organized professional team sports of football, baseball, basketball, or hockey, by which any league of clubs participating in professional football, baseball, basketball, or hockey contests sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games of football, baseball, basketball, or hockey, as the case may be, engaged in or conducted by such clubs.

SEC. 2. Section 1 of this Act shall not apply to any joint agreement described in section 1 of this Act which prohibits any person to whom such rights are sold or transferred from televising any games within any area, except within the home territory of a member club of the league on a day when such club is playing a game at home.

SEC. 3. Section 1 of this Act shall not apply to any joint agreement described in section 1 of this Act which permits the telecasting of all or a substantial part of any professional football game on any Friday after six o'clock postmeridian or on any Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December in any year from any telecasting station located within seventy-five miles of the game site of any intercollegiate football contest scheduled to be played on such a date if—

(1) such intercollegiate football contest is between institutions of higher learning both of which confer degrees upon students following completion of sufficient credit hours to equal a four-year course, and

(2) such intercollegiate football contest and such game site were announced through publication in a daily newspaper of general circulation prior to March 1 of such a year as being regularly scheduled for such day and place.

SEC. 4. Nothing contained in this Act shall be deemed to change, determine, or otherwise affect the applicability or nonapplicability of the antitrust laws to any act, contract, agreement, rule, course of conduct, or other activity by, between, or among persons engaging in, conducting, or participating in the organized professional team sports of football, baseball, basketball, or hockey, except the agreements to which section 1 of this Act shall apply.

SEC. 5. As used in this Act, "persons" means any individual, partnership, corporation, or unincorporated association or any combination or association thereof.

SEC. 6. Nothing in this Act shall affect any cause of action existing on the effective date hereof in respect to the organized professional team sports of baseball, football, basketball, or hockey.

The SPEAKER pro tempore. Is a second demanded?

Mr. McCULLOCH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

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

The SPEAKER pro tempore. The gentleman from New York is recognized.

Mr. CELLER. Mr. Speaker, this bill is the so-called sports bill. It would amend the antitrust laws to authorize leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts, and for other purposes.

The purpose of this bill is to enable the member clubs of a professional sports league to pool their separate rights in the sponsored telecasting of their games and to permit the league to sell the resulting package of pooled rights to a television network or other purchaser without thereby violating the antitrust laws.

H.R. 9096 is needed to supersede the decision of Judge Grimm of the U.S. District Court for the Eastern District of Pennsylvania, issued July 20, 1961, in the case of United States against National Football League. The judge held that a contract between the National Football League and the Columbia Broadcasting System which grants CBS the exclusive right to broadcast league games is unlawful. He ruled that the contract violates the antitrust laws and also violates the final judgment entered in the case in 1953 (116 F. Supp. 319). That judgment had enjoined the league and its member clubs from contracting to restrict the areas within which telecasts of league games might be made, except in the home territory of a member club when the club was playing a home game.

The practical result of this decision is that the National Football League is prevented from selling the pooled television rights of its member clubs, while, at the same time, the American Football League, a competing professional football organization, and other professional sports leagues operate under similar package contracts with networks. In consequence, an apparent inequity exists.

Proponents of the subject legislation state that a league needs the right to make package sales of the television

rights of its member clubs in order to assure the weaker clubs of the league adequate television income and television coverage on a basis of substantial equality with the stronger clubs. If the league is prohibited from doing so, they assert, only a limited number of National Football League teams will have access to television in 1962 when present commitments expire. It is anticipated that football fans in Green Bay, Minneapolis-St. Paul, Dallas, St. Louis, Detroit, and even such cities as San Francisco and Philadelphia may be unable to view the road games of their home teams on television. This is based on the prediction that the networks will refuse to televise the road games of each team back to its home territory unless a league package sale can be negotiated.

The Committee on the Judiciary believes that under Judge Grimm's recent ruling the members of a professional sports league cannot lawfully act in concert to assure member clubs with weak teams or limited home territory television markets an adequate amount of television income and of television coverage for games played away from home. Yet, should these weaker teams be allowed to founder, there is danger that the structure of the entire league would become impaired and its continued existence imperiled.

The committee believes that the great public interest in viewing professional league sports warrants some accommodation of antitrust principles in order to avoid these consequences. H.R. 9096 achieves this purpose with minimal sacrifice of antitrust principles. With two important qualifications, it exempts from the antitrust laws joint agreements under which a league sells or transfers pooled television rights of its member clubs to a purchaser.

Accordingly, section 1 of H.R. 9096 provides that the antitrust laws shall not apply to any joint agreement by or among persons engaging in the organized professional team sports of football, baseball, basketball, or hockey by which a league sells or transfers the rights of its member clubs in the sponsored telecasting of their games. The sole effect of section 1 is to remove a league's package sales of the rights of its members from under the antitrust laws. This exemption applies only to sales of rights in sponsored telecasting; it does not apply to closed circuit or subscription television.

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

Mr. CELLER. I yield to the gentleman from Virginia.

Mr. GARY. Why is it that under this decision the National League would not be permitted to make package contracts, yet the American League would?

Mr. CELLER. Because of the decision I mentioned, by Judge Grimm in the case against the National Football League, which was an interpretation of a previous ruling in 1953. There was no such original decision against the American Football League.

Mr. GARY. But if a case were brought against the American Football League the same situation would be true.

Mr. CELLER. That is correct.

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

Mr. CELLER. I yield.

Mr. WALTER. I do not think it necessarily follows that if the same kind of case arose attacking a contract entered into by the American League that the precedent would be followed, because there is some doubt as to whether or not this is a valid decision.

Mr. GARY. Then if it is not a valid decision all they would have to do would be to go to the Supreme Court. It seems to me this is a legal question rather than a legislative matter.

Mr. CELLER. It is a legislative matter and the gentleman from Pennsylvania put his finger on the difficulty. It is true that the National Football League did not appeal the decision. They felt discretion was the better part of valor and that they would go to Congress for relief. If we do not grant the relief, the contingency the gentleman speaks of, namely, a suit against the American Football League, might be successful. To avoid that situation we bring forth this bill so that the football leagues and all professional sport leagues could enter into package television contracts. This bill covers baseball, basketball, hockey, and football.

Mr. GARY. On yesterday I had the opportunity of watching three different games. There were three different games on three different channels, the New York Giants playing the St. Louis Cardinals, the Baltimore Colts playing the Los Angeles Rams, and the New York American League team playing the Buffalo team.

Would this bill prevent them from broadcasting three different games at one time and permit the league to enter into a contract so that only one game would be permitted?

Mr. CELLER. The bill does not prevent what the gentleman saw yesterday. As a matter of fact the antitrust exemption provided by the bill shall not apply to any package contract which prohibits the person to whom league television rights are sold or transferred from televising any game within any area except the home territory of a member club on the day when that club is playing a home game.

Mr. GARY. Would this prevent the Washington network from broadcasting the Redskins football games?

Mr. CELLER. It would not.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The adoption of this legislation is to make it possible for a league to enter into a television contract with a broadcasting organization, something which they have done heretofore.

Mr. CELLER. That is correct.

Mr. ROGERS of Colorado. Unfortunately, the decision in Pennsylvania placed the National Football League in such a position that if we do not approve this legislation there is the possibility that one league could do something and another league could not. This does not prevent your seeing on Sunday, Monday, or any other day of the week telecasts of any professional football games. The only thing the bill does is allow the league itself to enter into an agreement to televise particular games in their league. It does provide, consistent with Judge Grimm's 1953 decision, that there can be a blackout in the hometown of one of the teams when they are playing at home.

Mr. GARY. I am an avid sports fan. I follow football, baseball, basketball, and track, and I am very much interested in all sports. But I am also interested in the people of the United States being able to see on television the games that are played. I am interested in the television audience. I want to know that they are not going to be prohibited from seeing games that might otherwise be telecast.

Mr. CELLER. I can assure the gentleman from Virginia that he need have no fears on that score.

Mr. GARY. As I understand it, college games have been taken care of in the bill?

Mr. CELLER. We have taken care of all college football games.

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

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. If we adopt this bill, does that in effect repeal the decision to which the gentleman from Pennsylvania [Mr. WALTER] referred?

Mr. CELLER. It would supersede that decision, yes. It would not repeal it.

Mr. HOFFMAN of Michigan. It would overrule it?

Mr. CELLER. It would nullify the effects of the decision.

Mr. HOFFMAN of Michigan. Without action by the Supreme Court?

Mr. CELLER. Without action by the Supreme Court.

Mr. HOFFMAN of Michigan. And would the judge take judicial notice of our enactment?

Mr. CELLER. I do not think the judge would refuse to take notice of the action of Congress.

Mr. HOFFMAN of Michigan. There should be no limitation that he would not receive any Federal money for salary if he goes contrary to what the Congress writes?

Mr. CELLER. Section 2 of the bill would change some of the present procedures. If I am permitted to refer to that section, it might answer some questions.

Mr. Speaker, section 2 of the bill contains the first of two significant limitations on the antitrust exemption provided by the bill. Section 2 states that the antitrust exemption shall not apply to any joint agreement transferring television rights which prohibit the televising of any game in any area, except in the home territory of a member club on a day when that club is playing a game at home. The effect of section 2 is to allow only so much of a blackout as was recognized as reasonable by the judge in the particular case.

Mr. Speaker, the Department of Justice, although opposed to the enactment of legislation of this character, has stated that if the committee believes

that a bill along these lines is in the public interest, it should include a limiting provision of the nature of section 2.

Section 3 contains a second significant limitation on the antitrust exemption, which was added as a result of testimony by representatives of the National Collegiate Athletic Association.

These spokesmen for college football state that a principal source of support for the vast expenditures on athletic programs conducted by the colleges is gate receipts from intercollegiate football games. They urge that reasonable devices to protect this source of income are in the public interest. They are convinced that uncontrolled televising of professional football games could be ruinous to what is known as in-person attendance at college games. It is their position that professional football should not be granted exemption from the antitrust laws for package television contracts at the possible expense of intercollegiate football.

Although both professional football leagues play most of their games on Sunday and have assured the committee that they intend to continue this practice, the committee believed that a legislative exemption of professional football from the antitrust laws should be specifically conditioned so that college football, upon which substantial educational programs depend, is not unduly prejudiced. Accordingly, section 3 of the bill provides that the antitrust exemption shall not apply to any joint agreement which permits the telecasting of all or a substantial part of any professional football game on a Friday evening or on any Saturday, afternoon or evening, during the period beginning the second Friday in September and ending the second Saturday in December within 75 miles of an intercollegiate football game scheduled to be played on that Friday evening or Saturday. This applies to both live and delayed broadcasts.

Mr. Speaker, I have a letter from the National Collegiate Athletic Association dated September 12, addressed to me, that reads as follows:

> We were delighted to receive the report that the Judiciary Committee of the House of Representatives had voted favorably upon H.R. 9096 with the proviso protecting intercollegiate football on Friday evenings and throughout Saturdays from the second weekend of September through the second Saturday of December.
>
> Please accept our grateful thanks and appreciation. I speak for all of our member institutions which conduct intercollegiate football programs. This is a vital piece of legislation and will prove of invaluable assistance to our intercollegiate and physical training programs.
>
> Again, our thanks.
>
> Best regards,
>
> (Signed) WALTER BYERS.

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

Mr. CELLER. I yield to the gentleman from New York.

Mr. FARBSTEIN. Am I to understand that the effect of this bill will be such that there will be no interference of the right of contract?

Mr. CELLER. There will be no interference with the right to make what is known as package TV contracts by the leagues which would bind the member teams of that particular league.

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

Mr. CELLER. I yield to the gentleman from North Carolina.

Mr. WHITENER. Mr. Speaker, I want to thank the chairman of our committee for the attitude that he has taken throughout, along with other members of our committee, in showing an interest in the preservation of college and other amateur athletics. I am sure that all of us enjoy watching the professional football on television but the fact remains that had the committee not come along with this amendment we would not have done any favor to college and high school athletics. While high school athletics is not mentioned, this Friday night provision would in effect, even though it applies to colleges, be a protection of Friday nights for the high schools of the Nation.

Mr. CELLER. That is correct.

Mr. WHITENER. And is it not true that this legislation protects the Fridays from 6 p.m. through Saturday midnight from the second Friday in September through the second Saturday in December of each year?

Mr. CELLER. That is correct.

Mr. WHITENER. And that it is in keeping with the wishes of the college people as those wishes were communicated to the various members of the Committee on the Judiciary?

Mr. CELLER. That is correct; not only the colleges, but the high commissioner of baseball, Ford Frick, has agreed as to the need for this legislation. Various other professional sports leagues such as the National Football League and the American Football League have likewise agreed. We have conferred with all and sundry, as it were, who might have any interest in this matter and have fashioned a bill that recognizes the interests of all.

We now have a bill which has the approval and the support of all those whom I have mentioned.

Mr. WHITENER. Mr. Speaker, will the gentleman yield for one further question?

Mr. CELLER. I yield.

Mr. WHITENER. Is it not true that there are only 22 profitmaking sports organizations in football as opposed to thousands of high schools and many hundreds of colleges that are concerned about this legislation; and that the committee has taken the side which would protect the interests of amateur athletics by this committee amendment?

Mr. CELLER. That is correct.

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

Mr. CELLER. I yield to the gentleman from Georgia.

Mr. FORRESTER. This bill as originally drawn was, of course, designed for the purpose of relief against a Federal court decision. Despite that laudable and proper purpose I was somewhat concerned, as were other members of the Committee on the Judiciary, because we thought that the legislation as originally drawn would militate against college football. However, I am delighted to report that after collaboration with various members of the Committee on the Judiciary and under the leadership of the gentleman from Pennsylvania [Mr. WALTER] we came up with an amendment which was satisfactory to the colleges of this country. In other words, we now have a bill that satisfies the professional football league, and satisfies the colleges, and one that I think is equitable and fair in every manner. I am heartily supporting this legislation, and I hope that this House will support this legislation.

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

Mr. CELLER. I yield to the gentleman from Virginia.

Mr. GARY. May I say to the gentleman that one of my colleagues got the impression a few moments ago that I was opposed to college athletics, because of the questions that I asked. As a former graduate manager of athletics of one of our colleges, I am primarily interested in college and amateur sports, but I understood they had been taken care of in the bill and was simply inquiring to find out what effect the legislation would have on the broadcasting of professional games. That is the reason my questions were limited to professional games.

Mr. McCULLOCH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 9096, a bill to amend the antitrust laws to authorize professional sports leagues to enter into package television contracts.

As has been explained by the chairman of the Judiciary Committee, Mr. CELLER, this bill is necessary in order to overrule the effect of a decision of Judge Grimm in the U.S. District Court for the Eastern District of Pennsylvania on July 20 of this year. In that decision, Judge Grimm ruled that a 2-year contract between the National Football League and the Columbia Broadcasting System, in which exclusive rights to televise the league's games was granted, violated the antitrust laws and a prior ruling of the court.

As a result of this decision, the National Football League will not be able to enter into a package television contract for the 1962 football season. Other professional leagues, notably the American Football League, which are under no similar court decree, will be free to follow this procedure. In view of this inequity, and in view of the fact that authority to enter into a package television contract is necessary to protect the financial and business interests of the weaker teams of the leagues, the Judiciary Committee was of the opinion it would be desirable to grant a very narrow exemption from the antitrust laws. The exemption is narrowly defined for this specific purpose only and will not permit other variations from the antitrust laws.

In addition, the committee considered that the professional leagues should not be granted this authority without there being some restriction imposed for the protection of college football; even though, as a matter of actual practice, the professional football leagues have

followed a practice of not telecasting games which conflict with major intercollegiate football contests. This protection has been accomplished by providing that the antitrust exemption granted by the act shall not apply to package agreements which permit the telecasting of professional football games into areas within 75 miles of an intercollegiate game, on any Friday after 6:00 p.m., or on Saturday during the period beginning on the second Friday in September and ending on the second Saturday in December. Thus, any violation of the provision for the protection of college football will make the entire contract subject to the antitrust laws.

With the restrictions which the committee has written into this bill, I am of the opinion it permits professional leagues to negotiate contracts with the broadcasting industry which are desirable in order to insure an adequate source of income for the weaker member teams of the league. Therefore, I support the purpose and spirit of H.R. 9096, and urge the House to suspend the rules and pass the bill.

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

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

Mr. HALLECK. I am one who believes that the televising of professional football games is of great interest to the American people. As the chairman of the committee has pointed out, the arrangement that would here by made would provide revenues for the teams that will permit them to carry on in real competition, and likewise will make it possible for those programs to be seen by the people who are so vitally interested in that sport.

In respect to the objections of the colleges, it so happens that I am a graduate of Indiana University. Beyond that, Purdue University is located in my congressional district. I heard from the athletic departments of both of those schools when this matter first came up and there was some concern about what might be the effect on collegiate football, but I have now a letter from the director of athletics of Indiana University who, referring to this legislation, said:

> The above legislation is extremely vital to collegiate football. I urgently encourage you to cast a favorable vote for this bill whenever it comes before the House of Representatives for final vote.

From the director of athletics at Purdue:

> We are deeply grateful for the recent action of the House Judiciary Committee and would like to enlist your continued support of section 3 without amendment to H.R. 9096 on the floor of the House.

In other words, I think the committee is to be congratulated for having worked out a satisfactory solution to a very difficult situation, not only making it possible for television viewing of these very important athletic contests which are of such entertainment value to the American people but likewise protecting collegiate athletics as well.

Mr. McCULLOCH. I appreciate the contribution of the gentleman from Indiana.

Mr. Speaker, I now yield to the gentleman from Arkansas, the chairman of the Committee on Interstate and Foreign Commerce.

Mr. HARRIS. I have also been interested in this matter, particularly since it involved the televising of professional sports, and of course having to do with the protection of intercollegiate sports as well. I also want to congratulate the Committee on the Judiciary for having worked this matter out, as has been so well explained by the chairman of the committee and the distinguished ranking minority member, the gentleman from Ohio [Mr. McCULLOCH].

I also want to say that I, too, share the same views with reference to the importance of broadcasting professional sports such as football, baseball, and so forth. I would like to ask the gentleman, however, is it not true that this proposal is made necessary as the result of a decision by a Federal district court in Philadelphia with references to a problem involving the National Football League and its agreement for broadcasting professional football games as a league?

Mr. McCULLOCH. The answer is yes; and we are dealing with the law of the case, and this is important—we are dealing with the law of the case and not the law of the land, necessarily.

Mr. HARRIS. The gentleman may remember a few years ago, I have forgotten just how long ago it was, the Supreme Court issued a decision affecting baseball.

Mr. McCULLOCH. That is right.

Mr. HARRIS. If I might also invite the attention of the chairman of the committee to this, as the gentleman will recall, in that decision the practical effect was that football be considered a business and baseball considered a sport; is that not correct?

Mr. McCULLOCH. That is a correct interpretation.

Mr. HARRIS. My question is this. Does this bill in any way correct what I think is an unfortunate situation that has affected our professional sports since that decision.

Mr. McCULLOCH. As a general proposition, it does not correct the difference in the law with respect to the two sports.

Mr. HARRIS. Although I agree with the committee and with the gentleman, and I want to commend them on bringing out this legislation, I think it is unfortunate that you did not go further and correct the other situation where you have this different treatment of the two sports.

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

Mr. McCULLOCH. I am pleased to yield to the gentleman from Pennsylvania.

Mr. WALTER. I just want to point out the fact that unless this legislation is enacted, the contract already entered into between the American Football League and the broadcasters will be in effect, and could very well affect our intercollegiate sports.

Mr. HARRIS. If the gentleman will permit me, I think he refers to the National Football League. I do not think this affects the American Football League.

Mr. WALTER. Yes, it does.

Mr. McCULLOCH. This affects the National League only, at this time, since we are dealing with the law of the case, and we are not dealing, necessarily, with the law of the land.

Mr. HARRIS. Does this prohibit an individual or a professional team from entering into television contracts?

Mr. McCULLOCH. No.

Mr. HARRIS. And it is not a transfer of rights to the league itself?

Mr. McCULLOCH. It makes a contract that does that legal, which would otherwise be illegal.

Mr. HARRIS. I understand that. I thank the gentleman.

Mr. McCULLOCH. Mr. Speaker, I yield myself 2 additional minutes, and I yield to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Section 1 of the act says that these agreements which are listed there shall not be under the antitrust laws. Section 2 of the act says that section 1 does not apply, which means that the agreements listed under section 2 are under the antitrust laws. Section 3 says that section 1 shall not apply, which would again indicate that the committee thinks they are under the antitrust laws. Consequently, it seems to me, the legislation as written now in its present form would mean that the very agreements you are talking about, you are leaving under the antitrust laws.

Mr. McCULLOCH. No, I could not agree with that conclusion.

Mr. CELLER. Mr. Speaker, if the gentleman will yield, these are the conditions under which the exemptions are limited, and that is why it is worded in that form.

Mr. McCULLOCH. Mr. Speaker, a careful reading of the language will show that the chairman's analysis of the question is correct.

Mr. DOMINICK. If section 1 of the act, as it is written here, says that the antitrust laws shall not apply to certain joint agreements and section 3 of the act says that section 1 of this act shall not apply to any of the joint agreements described below, it would mean that all of the provisions listed in section 3, so far as I can read English, are subject to the operation of the antitrust laws.

Mr. McCULLOCH. Of course, Mr. Speaker, the answer to that observation is this: That section is so written to protect the colleges and universities who may be playing football on Friday nights or on Saturdays during the time mentioned.

Mr. Speaker, I now yield 1 minute to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I did not want a minute. I wanted to ask the gentleman a question if this bill would, by any chance, help the Senators or the Redskins win a few games.

Mr. McCULLOCH. We would do anything that was proper to help them win a few games.

Mr. GROSS. I thank the gentleman.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days to extend their remarks in the RECORD at this point on the subject under discussion.

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

There was no objection.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and I also ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES], who has been so interested in this legislation and has been so helpful for a number of weeks, be permitted to extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I am greatly pleased that the Committee on the Judiciary has moved promptly and effectively to overcome the serious problem confronting the National Football League teams because of a court ruling that they cannot negotiate jointly for the televising of their football games without violating the antitrust laws.

The effect of this ruling, which would apply incidentally to no other sports league, would be to jeopardize the very existence of the National Football League. Contrary to what we have come to think of as the spirit of our antitrust laws, it would make the strong clubs stronger and the weaker clubs weaker.

The reason for this is that the television networks, if the member clubs negotiated separately, would look to their own economic interests and negotiate contracts only with those teams which operate in areas of intense viewer concentration. The team which represent the largest metropolitan areas could obtain lucrative contracts while the other teams would have difficulty in obtaining any kind of contract at all.

Thus, the televising of games would be largely under the control of the networks. Many fans would be deprived of watching their home teams play its out-of-town games. Since television revenue is important in the economic structure of football, some teams would become richer and some poorer, but, in the long run, if the teams are not balanced, both financially and competitively, they would all suffer since evenly matched contests are the essence of a successfully operated league.

The situation brought about by the court ruling is of particular concern to me because I represent a city which would be most adversely affected by the bill.

The Green Bay Packers, from Green Bay, Wis., one of the first professional football teams in the Nation, have been able to compete successfully against teams representing much larger cities because of the wise policies of the National Football League which strive for balanced teams. Green Bay's population is 63,000. The team is owned by a nonprofit corporation which has had its struggles, through lean years, to field a representative club. In recent years, however, the club has strengthened its financial position through increasingly successful teams. Green Bay, in 1960, was the western division champion.

With costs mounting, however, Green Bay, like other clubs, is increasingly dependent upon television revenues. Negotiating singly, it has never been able to sell its television rights at the level of the clubs which represent the large cities. When its present contract expires, and if it is forced to approach the networks on its own, it will be competing against clubs who offer vastly greater TV markets, and it could wind up without any television contract or with one at a greatly reduced figure. The difference the size of the TV market makes can be judged by the fact that Green Bay's present contract, as champions, is $120,000 for radio-TV rights, while the Washington Redskins, who finished last in the eastern division last year, have a $250,000 contract. Under a contract negotiated by all of the clubs, and subsequently ruled out by the court, Green Bay and all other clubs would have received $325,000 in 1962 for television.

The bill before us would allow a league and its members to negotiate jointly with the television networks, while providing safeguards against interference with college football games. I urge its passage because it will remove the jeopardy in which the National Football League has been put, insure football fans of the widest possible television coverage of the out-of-town games of their favorite teams, maintain competitive and financial balance among National League clubs, and, by doing all of these things, strongly uphold the spirit of our antitrust laws.

Mr. KORNEGAY. Mr. Speaker, I rise to support this bill and to heartily congratulate the Committee on the Judiciary for bringing to the House a measure which seems to meet the needs of the situation created as a result of United States against National Football League and at the same time to meet the satisfaction of all interested parties. It goes without saying that there is a great public interest in the televising of professional athletics which should be recognized, but at the same time it is most important that provision be made to protect our amateur and intercollegiate athletics from being squeezed off the television screens across the Nation.

In my opinion, section 3 furnishes this protection very satisfactorily.

I have the honor to represent a district which has within its boundaries 14 colleges and universities, 2 of which are the University of North Carolina and Duke University and which consistently field strong and outstanding athletic teams which gain national recognition and reputation, while many of the smaller institutions of higher learning in my district have worthwhile and very fine athletic programs. The headquarters for the Atlantic Coast Conference is located in my district and its very able commissioner, Jim Weaver, resides there.

While many in the Sixth District enjoy watching the Washington Redskins on Sunday afternoons, we are mightly interested in preserving the rights and privileges of our wonderful intercollegiate teams to appear on the television screens on Friday night and Saturday. And, so, Mr. Speaker, I say again to this House that the committee has done an excellent job in bringing out a bill which I urge every Member to support.

SPRINGFIELD COLLEGE FAVORS BILL

Mr. BOLAND. Mr. Speaker, I rise in favor of H.R. 9096, to amend the antitrust laws to authorize leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts, with amendment.

The amendment is designed to provide greater protection than contained in the original bill for in-person attendance at college football contests. This is accomplished by extending the times and dates during which network telecasting by professional football games sanctioned by the antitrust exemption may not interfere with intercollegiate football games.

Mr. Speaker, today I received the following telegram from Edward S. Steitz, director of athletics at Springfield College, in my home city of Springfield, Mass.:

> Springfield College appreciates the action of the House Judiciary Committee and urges your support of H.R. 9096, section 3, without amendment. Many thanks for your cooperation.

The amendment I am speaking of, and reported favorably by the Judiciary Committee, is section 3. It provides that the antitrust exemption authorized by section 1 of the bill shall not apply to a joint agreement which permits the telecasting of all or a substantial part of any professional football game on any Friday evening after 6 p.m. or on any Saturday, during the period beginning on the second Friday in September, and ending on the second Saturday in December, within 75 miles of an intercollegiate football game scheduled to be played on that Friday evening or Saturday.

The purpose of the legislation is to enable the member clubs of a professional football, baseball, basketball, or hockey league to pool their separate rights in the sponsored telecasting of their games and to permit the league to sell the resulting package of pooled rights to a purchaser, such as a television network, without violating the antitrust laws. A further purpose is to prevent such package contracts from being used to impair college football gate receipts through network telecasts of professional football contests at times when college games are normally played.

Mr. RANDALL. Mr. Speaker, I rise in support of H.R. 9096 and I wish to say for the record that it is now possible to support this bill while earlier, before new section 3 had been added by the committee, it would have been impossible to have been in favor of this legislation.

The president of the University of Missouri, Dr. Elmer Ellis, corresponded with us earlier and had said in effect that it was his opinion that H.R. 9096 would do great harm to intercollegiate athletics. We have listened to the debate today and we conclude that the objections to

the bill must have been entered sometime after the introduction of the bill on September 7 and prior to the time this measure was reported by the Judiciary Committee to the House calendar on September 13.

It is true that before the committee amendment contained in new section 3, the bill was silent as to intercollegiate football contests. We have been told by a member of the committee that the National Collegiate Athletic Association was consulted and that the new section 3 was added after consultation with the NCAA and that the 75 mile radius was inserted in the bill as being about that time taken to make a 1½-hour ride by motorcar and is the 75-mile limit put in by baseball and now adopted for an intercollegiate football contest.

This amendment has been put in since the objections interposed by one of the members of the Big Eight Conference in the Middle West, the University of Missouri, and it is our opinion that the bill will not now militate against college football. The bill which was heretofore silent has now spelled out in sufficient detail provisions for intercollegiate football contests and should be passed by the House.

The SPEAKER pro tempore. The question is on the motion of the gentleman from New York [Mr. CELLER] that the House suspend the rules and pass the bill, H.R. 9096.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

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## PARTICIPATION IN 1962 FEED GRAIN PROGRAM

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8914) to amend subsection (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 105(c)(4) of the Agricultural Act of 1949 is amended by changing the parenthetical statement in the first sentence to read as follows: "(except in the case of a producer of malting barley as hereinafter described and except in the case of a producer of barley on a summer-fallow farm as hereinafter described)", and by changing the period at the end of such section to a colon and adding the following: *"Provided further,* That no producer of barley on a farm where summer fallow is the normal practice shall be required to participate in the special agricultural conservation program for 1962 for barley if he (i) does not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960 plus the acreage devoted to summer fallow in 1961 which is diverted from the production of wheat under the special 1962 wheat program, and (ii) does not knowingly devote any acreage on the farm to corn, grain sorghums, and barley in excess of 80 per centum of the average acreage devoted on the farm to corn, grain sorghums, and barley in 1959 and 1960."

SEC. 2 Section 16(d)(1) of the Soil Conservation and Domestic Allotment Act is amended by changing the parenthetical statement in the second sentence to read as follows: "(other than a producer of malting barley as described in section 105(c)(4) of the Agricultural Act of 1949, or a producer of barley on a summer-fallow farm as described in such section)".

The SPEAKER pro tempore. Is a second demanded?

Mr. QUIE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. POAGE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this legislation is an attempt to deal a little more satisfactorily with the old Dust Bowl problem. In a rather extensive area of the southwestern United States, or down in the real Southwest we would say in central western United States, there is what we know now as the Dust Bowl where land blows in the winter and spring of the year to the great detriment of the soil.

Fortunately, for the last 20 years that situation has been pretty well controlled by the Soil Conservation Service and cover-cropping arrangements, and with the passage of the recent feed grain and wheat bills we find that there develops a situation, particularly in Kansas, eastern Colorado, Nebraska, and possibly the northern counties of the Panhandle of Texas and the Oklahoma Panhandle where individuals have, in good faith, prepared their wheat lands. The wheat land has already been prepared. The seeding is beginning out there; it has already started. Under the normal practices, where the farmer allows a part of his land to lie fallow during the summer and another part he seeds in wheat. He must make preparation early in the year, if he is going to plant wheat. So, he was prepared to plant, we will say, 100 acres as his allotment. Under the law that this Congress passed recently, he cannot plant but 90 acres, and we encourage him to cut that down to 60.

We hope that he will cut it down to 60 acres; but, in any event, whether he cuts it at all or whether he simply complies with the mandatory cut, he is going to have a portion of his land laying there that he cannot plant in wheat. Whether that is 10 percent or 40 percent makes no difference from the standpoint of principle. It cannot be planted. The land is ready to plant in wheat. That means that he has the land broken and disked and that he has pulverized the land. If you leave that kind of land lying out over winter in this dry area where they probably will have no rain and no snow, or very little of either, and where it is not going to freeze hard as it does in some sections of the United States, that land is going to blow during the winter and spring. Where land is to be left idle, farmers usually leave stubble on it, but there is no stubble on this land because there was not any crop there this year, and it is now too late to put a crop on it; it was too late when we passed the bill.

As a result, something has got to be done with this fallowed land. For all practical purposes, there is nothing the farmers can do to provide a winter crop except to plant barley. We had a surplus of barley last year. So, obviously, that is not a good solution, if you are simply going to put in a lot more barley and add that barley to the surplus. This bill does not do that.

What this bill says is that you can plant barley on that land provided you have a feed-grain base and that next spring you will reduce your feed-grain acreage by the amount of barley that is planted on this fallow land.

I think it is very simple. All in the world that is involved here is to give these people in that area the right to plant a winter crop to keep this land from blowing and then next summer make a comparable reduction from their corn or grain-sorghum acreage. There is no way whereby the total acreage in feed can be increased. Any increase in barley will be exactly balanced by a like reduction in corn and grain sorghums.

This bill says to them that instead of making your reduction in a winter grain crop, to-wit, wheat, or barley, which are the only known crops available to hold the land from blowing, that you can make the reduction in a summer grain—to wit, grain sorghum, or in corn—but basically it means grain sorghum as there is very little corn grown in this dry region.

It requires exactly the same total reduction in planting acres. We do not say you can get off with a smaller reduction, but say, make your reduction this summer in a crop which is not going to let the land blow. The object is to avoid a disastrous effect to the land. Let us take out of production the crop which is not going to hurt and leave these farmers the opportunity to use a winter cover crop where it is needed.

This is needed for only 1 year, and the bill is only of 1 year duration. The reason you need it for 1 year only is that these people prepared their land before we passed the wheat bill. At that time they naturally assumed that they needed to prepare the full amount of their then existing allotment. Next year they will know the amount of land they can plant in wheat and there will not be any necessity of continuing this kind of legislation.

I think it is a rather simple proposition and I am sure there is not a Member on the floor who does not believe in protecting the soil of this Nation. We certainly should know that these people in this dry area are in an especially difficult position, and we should allow them to handle their basic crops so it will do a minimum of injury.

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

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

Mr. COHELAN. Will the gentleman be good enough—I cannot find it in the report—to tell us how many acres are involved and how many people?

Mr. POAGE. There are a good many acres involved, but I cannot say how many. It is probably nearly 10 percent of the wheat acreage in these States which is involved. Those are the biggest wheat States in the United States. Kansas is by far the largest wheat State in the Nation. This bill involves a mini-

mum of 10 percent of that total acreage, and it will involve a maximum of 40 percent, but of course we know it will never reach the maximum. However, it is a rather substantial acreage, but a farmer cannot take advantage of the bill unless he has a feed grain basis, and that feed grain basis has to be reduced next year by the same amount which he plants in barley, in addition to the 20 percent reduction in feed grains which is required to qualify for participation in the feed grain program.

Mr. QUIE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Speaker, having listened to the debate for many years on the floor of the House in reference to price supports, surplus commodity programs, and other farm programs, I have always been confused, as the farm advocates have been confused. I have heard both sides of the proponents of farm price supports argue with one another on the merits of the various programs. I have voted against these bills. No, I am confused about this bill.

I have before me the report, and I would like to take the time to ask members of the subcommittee to give me some answers.

On page 2 of the report there is a paragraph dealing with costs. It is confusing, and I want to read it:

> The committee is not aware of any additional direct cost to the Government as a result of enactment of this legislation but it believes it will bring about a wider participation in the feed grain reduction program, in which case there would be the additional cost to that program resulting from the additional participation.

To me this sounds like doubletalk wrapped up in one paragraph and in just one sentence.

I would like to direct questions to the members of the committee, if they are paying attention, and ask them if they can tell me if you take land, farmers are now being paid to take out of production so much per acre, it is then planted with a cover crop of barley, you are going to get paid price supports and have a surplus of barley that is grown on this same land. They want to get paid twice for land that is now in the soil bank; is that correct?

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

Mr. BECKER. I yield to the gentleman from Kansas.

Mr. BREEDING. This land is in the soil bank and it is to reduce the acreage of this summer fallow for wheat. As I understand it, 10 percent of that must come out of production; but, actually, he would plant 90 acres instead of 100, if he had 100 to start with. But he needs to cover the 10 percent with some kind of crop. If he reduces this from his feed grain crop next summer, I can see no additional cost to the Government, because the 10 percent reduction does not have to be the summer fallow acreage. Does that answer the question?

Mr. BECKER. Is barley eligible for price supports?

Mr. BREEDING. Yes; barley is eligible for price support if you have a barley base.

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

Mr. BECKER. I yield to the gentleman from Oklahoma.

Mr. ALBERT. May I answer the gentleman's question in this manner: This 10 percent the gentleman is talking about has been fallowed; it has been prepared for seeding. This land is ready to plant. This land was prepared before we passed the feed grain bill. To be eligible to participate in this program under this bill the farmer will have to have a feed grain base. He will have to lay out some of the land which he would plant to feed grain in the spring in return for land which he plants to barley under this bill. He is not increasing his total grain production. He is simply substituting barley for feed grain.

So, the effect is that he takes out the same amount of land overall on the same farm.

Mr. BECKER. But on the land he takes out he is getting paid for that; is he not?

Mr. ALBERT. That is right.

Mr. BECKER. If he plants a cover crop of barley on the land he has taken out, and for which he is getting paid, is he going to get price supports for the barley he plants as a cover crop?

Mr. ALBERT. Yes, but he is going to have to take out and not get price supports for a corresponding amount of feed grain on land somewhere else on his farm. So he is just trading one part of his farm for another.

Mr. BECKER. I might say to the gentleman that it is still very confusing. Why can they not plant something else for a cover crop rather than barley, for which price supports are being paid? There are many other things that can be planted as a cover crop.

Mr. ALBERT. What else can be planted as a fall cover crop?

Mr. BECKER. There are other things that can be planted on this land in the way of a cover crop.

Mr. ALBERT. What?

Mr. BECKER. You can plant grass or hay or anything that would prevent soil erosion. I would like to ask the gentleman from Oklahoma to give me an answer to that. I am not a farmer, but I was raised in a farm area.

Mr. ALBERT. If the gentleman will yield further, this land is fallowed and then the seedbed is prepared for fall planting. About the only thing that can be planted in the fall to keep the land from blowing away is either barley or wheat. In order to participate in the program this bill contemplates that the farmer is going to have to reduce by a corresponding amount from some other section of his land the feed grain crop which would be planted in the spring and for which he would get price supports.

Mr. BECKER. Why do they say in the first part of this paragraph that there will be no additional cost, and then wind up by saying in the last part that there would be an additional cost of that program resulting from the additional participation? Certainly they can anticipate that this is going to cost more money, because they say it right here.

Mr. ALBERT. I do not know what the report says on that.

Mr. BECKER. I am reading from the report.

Mr. ALBERT. I can assure the gentleman that any additional cost to the Government as regards this particular tract will be offset by a reduction in some other tract. The net result is zero.

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

Mr. BECKER. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman asked the reason for that language in the committee report. It is simply because we believe that if we can pass this legislation that we will get a much larger participation in the feed grain program, and that if we get a larger participation, obviously it is going to cost you money to get it. But we think it is a desirable thing to have a large participation in the feed grain program because we believe that that is a lot cheaper than it is to grow these surplus crops and store them.

May I also answer one other question for the gentleman from New York? The gentleman from New York asked why we did not plant something else, grass, or something of that kind, instead of barley or wheat. This is in a high altitude, dry climate country. It is an utter impossibility to seed grass in the fall of the year in that area. You just cannot do it. The Lord made that country, and He gave us less than 20 inches of rain, and He gave it to us in the summertime, and not in the winter. That is why we cannot do it.

Mr. BECKER. I might say to the gentleman that I am not convinced and therefore must oppose the bill.

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

Mr. Speaker, the purpose of this legislation is to enable farmers in the summer fallow area to raise barley who have not raised barley before or who have not raised enough barley to cover the acres they now are going to idle which represent 10 percent of their wheat acres. What they want to do also is to raise a crop on their summer-fallowed land on which they have built up the moisture throughout the year and idle some of the acres on their farm on which a grain sorghum crop has depleted the moisture.

In the feed grain program this year, one of the reasons why we are going to have a greater production than would be expected, due to the reduction in acres, is because normally farmers take their best acres to plant their crops, and idle their poor acres. Now we come upon a group of farmers, due to the new wheat and feed grains programs who find it is not easy to put their best acres into production without a change in the law. So they now want us to change the law so they can do the same thing which you are deploring that other farmers have been doing all the time.

Let us look at the controls that we have put on agricultural commodities in the past. In the past we have never really controlled production, because where the cotton farmers reduced their cotton acres, they planted something else—feed grains, in direct competition with us in the feed grains area. When we had a corn program in the feed grains areas, we reduced our acres of corn. But what did we do with the idle acres? We planted soybeans or 15 acres of wheat. In the wheat production areas, they cut back on their wheat acres, but they raised feed grains on their acres retired from wheat. Now they raise some grain sorghums down in the wheat area of the gentleman from Kansas [Mr. BREEDING], and the gentleman from Kansas [Mr. DOLE], and they want us to change the law so their farmers can raise some barley even though some of them never raised barley before. Their argument is that they want to prevent the acres retired from wheat from eroding. Let me tell you there is nothing to prevent these farmers from planting wheat on 100 percent of their wheat acres and then 30 days before harvest destroy their poorest acres and get their price supports, get their payments for idling 10 percent to 30 percent of their wheatland. We are giving these farmers an increase in price support from $1.78 to $2.00 a bushel and then paying them 45 percent of what they normally would have received on those idle acres for not raising a crop. That ought to be enough for them to put a little cover crop on their idle acres and prevent erosion. We put a cover in the feed grain areas on our land to prevent erosion, both water erosion and wind erosion, but it is mostly water erosion and aren't asking permission to harvest those cover crops. What is going to happen to the barley of these farmers who did not raise barley before but now can raise it and receive price supports on it if this bill passes? That barley is going to be in direct competition with the barley producers in the great feed grain producing areas.

Earlier this year, in the feed grain program, we did not include barley under the feed grains regulations for the 1961 crop. We just included corn and grain sorghums. But the Department came to us later and said, in the omnibus farm bill, please pass a control program for barley the same as you have for corn and grain sorghums. The only way you can get price supports on corn and grain sorghums is if you reduce your acres by 20 percent and not increase your acres of barley; the same is now true for barley.

So we have a program in the omnibus farm bill trying to prevent an increase in the production of barley, passed by the Congress, just a short time ago, and then some people come in and ask for another program to encourage their farmers to raise more barley in other parts of the country.

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

Mr. QUIE. I yield to the gentleman from Montana.

Mr. BATTIN. Will the gentleman concede that in some areas, particularly in Montana, North Dakota, and parts of South Dakota, as well as other areas mentioned, the small grains, wheat and barley, are about the only two things they can grow?

Mr. QUIE. That is right. And in that area, without any change in the law, you can put barley in the acres that you have summer-fallowed. There is nothing to prevent that. But in your area where you have not raised grain sorghums or other feed grains——

Mr. BATTIN. And cannot.

Mr. QUIE. And cannot, there is no way you could put additional barley in under this program and if you do not have a barley base you could raise no barley; while in the summer fallow areas, where grain sorghum is raised, a farmer under this bill could begin producing barley even though he never raised a kernel before.

You have to have the grain sorghums or some other kind of feed grain in order to plant barley on these acres. So in Montana you cannot comply with this bill since you cannot raise sorghums or corn.

Mr. BATTIN. This is different from the provision on feed grain which we passed in the Agricultural Extension Act of 1961.

Mr. QUIE. That is right, barley is considered separately from corn and grain sorghum. If they were all called feed grains, there would be no need for this bill. But we decided in the Congress that we did not want the farmers to lump them all together, we wanted to consider corn and grain sorghum as one but barley as something separate. If you want to reduce your acres of corn and grain sorghum you cannot increase your acreage of barley. If you are going to reduce your acres of barley you cannot increase your acres of corn and grain sorghum. You cannot reduce your barley acres and then raise the corn and grain sorghum to take the place of the barley that would normally be raised.

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

Mr. QUIE. I yield to the gentleman from Texas.

Mr. POAGE. Apparently the gentleman suggests it would have been a good thing if the committee had lumped all these feed grains together.

Mr. QUIE. No. We thought of that and both you and I decided if we were going to make the program work we would have to treat them separately.

Mr. POAGE. That is exactly what we decided in the committee, but I understood the gentleman to tell the House it would be a good thing if we lumped them together.

Mr. QUIE. No; I did not make that statement.

Mr. POAGE. What we do do for these four States, this drought-stricken area, is to lump them together.

Mr. QUIE. That is right.

Mr. POAGE. What is wrong with that where they have special situations? The reason we did not lump them together over the Nation was that we knew there were areas in which you could grow much more corn than by growing grain sorghums, and there were other areas in which you could grow much more grain sorghum than by growing barley. In this area which is in the center of things you have almost an equality between them. An individual farmer cannot take advantage of this because he must have a feed grain base before he can substitute barley for feed grain.

Mr. QUIE. The people in that area have something that other farmers in other areas would undoubtedly like to have. If they do not like the outlook in the spring they can put in another crop and get price supports on that also. If we continue this effort, we are going to ruin the attempt we made this year to actually reduce total crop production.

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

Mr. QUIE. I yield to the gentleman from North Dakota.

Mr. SHORT. I have been looking through the report and the bill. My memory does not recall from the conversation we had about this piece of legislation in the committee, if the provisions of this bill are taken advantage of by this wheat farmer and he elects to seed to barley the land that he is required to retire from wheat production under the provisions of the new wheat bill, is he going to be eligible for the land retirement payment which is provided for in the wheat bill, under the provisions of this bill?

Mr. QUIE. Yes; he will be eligible for the land retirement payment, because all he has to do then is to select some less productive acres on his farm that he had in sorghum, perhaps, the year before, and call those the acres he would like to idle. There is nothing to prevent him from doing that right now.

Mr. SHORT. I do not see anything in the committee report about this, either. If I may ask a further question, Does this bill give the farmer in this particular area where this problem exists, and I grant it does exist, although I would have to point out this is not the only area that makes a practice of summer fallowing—we do about the same proportion in North Dakota and sections of Montana and maybe out in the Pacific Northwest—but if this barley that the farmer plants on the retired acreage he normally would have planted to wheat, if he plants that to barley and something happens to the barley crop over the winter, if it winter kills, does he have an opportunity then to plant these same acres to some other spring crops such as grain sorghum or corn or oats or something like that?

Mr. QUIE. The gentleman recalls from our discussion in the committee that was the understanding we had, that if in the spring the barley winter kills, the farmer could then just go ahead and put grain sorghum in those same areas.

Mr. SHORT. Certainly, being a farmer, I hate to deny a farmer the opportunity to make any more money out of his farming operation. But, I think, perhaps, in all honesty, I should point out this is an opportunity that is going to be offered to these people in this particular area that is, perhaps, for reasons beyond their control or anyone else's control, an opportunity that is not available to the wheat farmers in the summer

fallow areas in the northern part of the United States where they can only plant a spring crop.

Mr. QUIE. I thank the gentleman. I realize along the same line, we can compliment the gentleman from Kansas [Mr. DOLE] for working hard for his farmers and helping them to plant barley on these acres since they would hate to see those acres lying idle when they have built up the moisture. I never blame a Member for working for his constituents, but I just disagree with the gentleman.

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

Mr. QUIE. I yield to the gentleman from Kansas.

Mr. DOLE. I might say the legislation is going to take care of one of us, Mr. BREEDING and myself, but I do not want the dust to take care of both of us. We have this peculiar problem in Kansas in the western end, and I happen to represent the northwest area and Mr. BREEDING the southwest area, and there has been some inference, perhaps, that the wheat farmers are getting a special benefit. I think this is simply an interchange of acres, and I do not know where the benefit might come or being given any special advantages. Would the gentleman point that out to me under this program?

Mr. QUIE. Well, the special advantage is that he is able to raise barley when he has no barley history. In the feed-grain program which we passed some months ago, it provided that no one who raised barley can raise more than their history showed for 1959–60. It is a special advantage for farmers in your area to raise more barley than their 1959–60 history and still receive price supports.

Mr. DOLE. He must have a feed-grain base to participate in this program, and he retires an equal number of his acres of his feed grain next spring.

Mr. QUIE. That is right. He may want to trade grain sorghum for barley. If barley was not in trouble, we would not have a barley program.

Mr. DOLE. I think that would be the only crop he can plant where he actually would have any benefit.

Mr. QUIE. Oh, no, you can plant wheat for a cover crop or you can raise rye. I imagine you could raise winter oats. There are other commodities than barley which you can put on for a cover crop, if that is all the farmer intends to do, which would work just as well. But you want them to be able to harvest the cover crop and receive price supports.

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

Mr. QUIE. I yield to the gentleman from Nebraska.

Mr. BEERMANN. Page 3 of the report, section 16(a) says:

SEC. 16. (a) The obligations incurred for the purpose of carrying out for any calendar year, the provisions of section 7 to 14, inclusive, of this Act shall not exceed $500 million.

One of the things sold to us in passing the Agricultural Adjustment Act of 1961 was that we were going to save $500 million. Did they leave this out purposely so that they could come back now? Since this program has already cost $750 million, to the extent of $2.20 per bushel for not raising corn and feed grains and while excess soybeans are being produced, is this $500 million that was supposed to be saved going to be spent now?

Mr. QUIE. I could not answer that question.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Speaker, I want to appeal to the Members on my left, and use that term only in this geographic context. We have passed bills to benefit postmen and football players today, and now have an opportunity to give a little consideration to farmers. As I mentioned to the gentleman from Minnesota [Mr. QUIE] a minute ago, this happens to be a bill introduced by the gentleman from Kansas [Mr. BREEDING], we both live in western Kansas and, frankly, the bill is similar to an amendment offered in the House when the omnibus farm bill was being considered, by Congressman BATTIN. The amendment was adopted by this House, but later on in the Senate-House conference, it was eliminated. We are not doing anything revolutionary by passing this bill today. The gentleman from Kansas [Mr. BREEDING] has a farm and understands the practicalities of this legislation. We have all seen the dust fly in western Kansas and I can assure you we are not asking for any additional aid or benefits, but simply asking that our farmers be permitted to take the diverted wheat acres and plant them to barley and next spring take an equal number of acres from his feed-grain base and retire that acreage. The farmer is not getting any double shot at anything, as has been intimated here today. I think this bill should be passed without objection from anyone.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

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

Mr. HARVEY of Indiana. The issue was raised in the colloquy just a short time ago as to whether, in the final analysis, the outcome of this proposal would not be to permit these farmers to trade a fall sown crop for grain sorghum, which would be the normal spring sown crop, in terms of acres. Is that correct?

Mr. DOLE. Yes; that is correct.

Mr. HARVEY of Indiana. That would be the net effect; sow barley in the fall in place of sorghums next spring. Now, from the standpoint of dollar income to the farmer, if you put it on that basis alone, is there any general indication that a farmer would make more money sowing barley this fall than he would if he plants sorghum next spring?

Mr. DOLE. There may be some figures on that. That was discussed in committee and I think the difference is very little, if any; in fact, my offhand thinking is he might receive a little less that way.

Mr. HARVEY of Indiana. In other words, the gist of it is that in reality the average farmer in this area would not be any better off financially from this exchange. He would simply be given a better opportunity to protect this fallow land that would otherwise be left uncovered?

Mr. DOLE. Yes; the gentleman is correct, and this is the basis we should approach the bill on. This is not an attempt to give the farmer additional benefits. This is similar to H.R. 8842 which passed earlier today in that it is a corrective piece of legislation, and is needed to correct an evil discovered in the 1962 wheat program.

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

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

Mr. KYL. In the opinion of the gentleman, is this a farm solving device or a farm relief program?

Mr. DOLE. Whether it will solve the farm problem, I do not know, but we are going to decrease participation in the feed-grain program if this bill is not passed.

Mr. Speaker, I might state that whenever new programs are enacted mistakes are found when application of the program is initiated. H.R. 8842 passed today by unanimous consent was a bill to correct an inequity which should never have occurred, but an error was made and I was advised by the Department of Agriculture, in response to a letter dated August 16, the error would not be corrected by administrative order.

On August 17, 1961, I contacted the Department concerning the subject of the bill before us today and on August 30 the U.S. Department of Agriculture informed me legislation was necessary to cure the defect. I frankly feel the Department has authority to correct the present situation that could have been remedied under existing authority, Public Law 87–128.

The basic purposes of this law are: First, improve farm income; second, adjust feed grain production, thus saving on Government costs; and third, establish sound soil conserving measures. If large areas of the western plains are allowed to lie idle and erode, farm income will ultimately suffer.

If barley and grain sorghum acreage reduction were more interchangeable a further reduction in the production of grain sorghum would be accomplished. There is now a greater surplus in grain sorghum, barley—May 31, 1961, CCC figures show 398,873,242 hundredweight of sorghum in the inventory of CCC and 13,613,151 hundredweight under loan for a total Government commitment of $1,051,946,201, whereas there were only 53,693,536 bushels of barley in the CCC inventory and 42,173,992 bushels under loan for a total Government commitment of $96,686,817.

Your particular attention is called to the following statutory provisions:

First. In "Subtitle B: Wheat"—sections 124 (g) and (i) provide:

(g) The program formulated pursuant to this section may include such terms and conditions, in addition to those specifically

provided for herein, as the Secretary determines are desirable to effectuate the purposes of this section.

(i) The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

Second. In subtitle C: Feed Grains—the new section 105(c)(4) of the Agriculture Act of 1949, as amended, provides:

(4) The Secretary shall require as a condition of eligibility for price support on the 1962 crop of corn and grain sorghums that the producer shall participate in the special agricultural conservation program for 1962 for corn and grain sorghums to the extent prescribed by the Secretary and (except in the case of a producer of malting barley as hereinafter described) shall not knowingly devote an acreage on the farm to barley in excess of the average acreage devoted on the farm to barley in 1959 and 1960. The Secretary shall require as a condition of eligibility for price support on the 1962 crop of barley that the producer shall participate in the special agricultural conservation program for 1962 for barley to the extent prescribed by the Secretary and shall not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959 and 1960.

Third. New section 16(d)(1) of the Soil Conservation and Domestic Allotment Act, as amended, provides:

(d) Notwithstanding any other provision of law—

(1) The Secretary shall formulate and carry out a special agricultural conservation program for 1962, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments in amounts determined by the Secretary, to be fair and reasonable shall be made to producers who divert acreage from the production of corn and grain sorghums, and barley, respectively, to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. The Secretary may make not to exceed 50 percent of any payments to producers in advance of determination of performance.

Fourth. Section 134 which provides:

SEC. 134. Notwithstanding any other provision of law, the Secretary may place such limits on the extent that producers may participate in the special feed grain conservation program for 1962 authorized by this act as he determines necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of corn, grain sorghums, or barley.

In view of the general authority granted by the act, and in order to meet the purposes of this legislation, I suggested urgent consideration allowing the interchange of sorghum and barley acreage.

The Department's answer, in part, was:

We are unable to concur in the view that existing law permits such latitude. It does not appear that compliance with the barley part of the 1962 feed grain program would result in such an insufficiency of barley as to justify a general modification under section 134 of Public Law 87-128. Any exemption from the minimum compliance requirement of 20 percent of the barley base acreage presumably would have to be general over the country.

In conclusion, Mr. Speaker, I want to emphasize farmers in western Kansas are not seeking undue advantage or special consideration in this request. They do wish to operate within the framework of the wheat and feed grain program to prevent a serious erosion loss and to carry on their operations as they anticipated they would when entering the 1961 feed grain program. As previously stated, failure to grant relief will undoubtedly limit participation in the program for 1962.

Mr. POAGE. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. BREEDING].

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

Mr. BREEDING. I yield to the gentleman from Kansas.

Mr. AVERY. I wonder if my colleague from Kansas, the author of the bill, could advise the House whether or not any hearings have been held on this measure in the other body.

Mr. BREEDING. Not that I know of.

Mr. AVERY. Well, I think it is essential that this bill pass this session of the Congress, because I understand it is an amendment to the feed grain program for 1961, so if we do not complete action on the bill during this session, it will virtually have no effect.

Mr. BREEDING. I understand it has been introduced in the Senate by our own distinguished Senator from Kansas, Senator CARLSON, and I understand that Senator BURDICK of North Dakota was introducing the bill. I had hoped that it would pass the House so that they could take it up.

Mr. AVERY. I think this will serve as an admonition to them to give further consideration to it. I thank the gentleman for yielding.

Mr. BREEDING. I thank the gentleman. I also want to make this point. I want to thank my colleague, the gentleman from Kansas [Mr. DOLE] in trying to represent one district in Kansas, and this may be the only time in this session of the Congress when we are fighting together on the same issue. I want to thank the gentleman for his efforts here, because this is bipartisan.

Mr. DOLE. It may not happen again, but it happened once.

Mr. BREEDING. This is a bipartisan approach on both of our parts to accomplish something that we know the people in our area are interested in. I have had letters and wires and telegrams from every farm organization that is represented in my area in behalf of this legislation. This morning I received a letter from the farm bureau of my State hoping that we could accomplish this today to correct a bad wrong. This is a good farm bill. I have lived in this area for 33 years, and I know that we need to plant barley in the fall of the year. In answer to the remarks of the gentleman from Minnesota [Mr. QUIE] about planting barley when we do not have any base acreage, I can say this, that in a lot of instances my farmers do not plant barley when their prospects are good. In the last 4 years we have had good wheat crops in my area and there has been little reason, if any, to plant much barley.

The consequence was that in the years 1959 and 1960 on which this barley base is established, there was not a great deal of barley acreage in my country, but I have also seen my country when there has been huge barley acreage. As I understand this bill, unless you have a feed grain program or feed grain base on your farm you would not be permitted to take part in the program outlined in this legislation.

Mr. POAGE. That is the very point that makes it so clear that there is nothing to the implication made that somebody is getting a favored position, because unless feed grain is normally about of the same productivity as barley, a man would not plant it and would not have a feed grain basis. Certainly it would be an injustice.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. POAGE. Mr. Speaker, I yield the gentleman 2 additional minutes.

Down in my country a man would not substitute barley for feed grain, because the feed grains normally produce the most. Certainly it would be an injustice in the Red River Valley of the north to substitute feed grain for barley because the barley normally produces the most; but in this particular area where the production is almost identical, as has been pointed out by the gentleman from Kansas [Mr. DOLE] he must have some way of making this substitution. We cannot let this land blow away for want of a cover crop.

Mr. BREEDING. The distinguished gentleman from Texas is exactly correct in his statements. The situation is just exactly as he states it.

Mr. POAGE. Would the gentleman comment on this further criticism that people could plant spring crops instead of fall crops, black-eyed peas, sunflowers, and other things; but the people who have made that suggestion all unfortunately live in a country where their land is protected with snow in the winter.

Mr. BREEDING. That is right.

Mr. POAGE. Those who have lived in this part of the country know that most of the winters there is no snow cover.

Mr. BREEDING. The gentleman is right, there is very little snow. I would like to point out also that grass will not grow by itself, that grass has to have a cover crop such as grain or some crop like that.

Mr. POAGE. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. I wish to make use of this minute by inquiring of the gentleman from Kansas whether it is not true that based upon the evidence before our committee there will be no particular income difference to farmers in his area as between growing barley and feed grains? So the farmer will not stand to gain more money. The only thing he can do will be to plant a crop that he can harvest on land that might otherwise be blown away.

Mr. BREEDING. That is true in my past experience in this area. I will say that the planting of barley this fall on

this land perhaps will not yield as much income to the farmer as other crops, but he will be able to raise other crops next year.

Mr. ALBERT. So the purpose of the feed grain bill, to reduce feed grains would not be injured; this would still be consistent with that program.

Mr. BREEDING. I think so. I will also say that if the farmer is permitted to participate in this program he will automatically come under the feed grain program as far as that is concerned.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 8910?

The question was taken; and on a division (demanded by Mr. QUIE) there were—ayes 64, noes 26.

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

The SPEAKER pro tempore. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 213, nays 151, not voting 71, as follows:

[Roll No. 213]

YEAS—213

Abbitt
Abernethy
Adair
Albert
Alexander
Alford
Andrews
Ashley
Ashmore
Aspinall
Avery
Bailey
Baring
Barrett
Battin
Beckworth
Belcher
Bennett, Fla.
Blatnik
Blitch
Boland
Bolling
Bonner
Boykin
Brademas
Bray
Breeding
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cannon
Chelf
Chenoweth
Clark
Coad
Cohelan
Cook
Davis, James C.
Davis, John W.
Davis, Tenn.
Dawson
Delaney
Denton
Diggs
Dingell
Dole
Dominick
Donohue
Dowdy
Downing
Doyle
Edmondson
Elliott
Ellsworth
Everett
Evins
Farbstein
Finnegan
Fisher
Flood
Flynt
Forrester
Fountain
Friedel
Garmatz
Gary
Gathings
Giaimo
Gilbert
Granahan
Grant
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagan, Ga.
Hagen, Calif.
Halleck
Hansen
Harding
Hardy
Harris
Harvey, Ind.
Hays
Healey
Hechler
Hemphill
Henderson
Holifield
Horan
Huddleston
Hull
Ichord, Mo.
Ikard, Tex.
Inouye
Jarman
Jennings
Jones, Ala.
Karsten
Karth
Kastenmeier
Kee
Kelly
Keogh
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kornegay
Kowalski
Landrum
Lane
Lankford
Latta
Lennon
Lesinski
Libonati
Loser
McCormack
McDowell
McFall
McMillan
McVey
Macdonald
Mack
Madden
Magnuson
Mahon
Matthews
May
Miller, Clem
Miller, George P.
Mills
Moeller
Montoya
Moorhead, Pa.
Morgan
Morris
Moss
Murphy
Murray
Natcher
Nix
Nygaard
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen
O'Neill
Passman
Patman
Perkins
Peterson
Philbin
Poage
Price
Pucinski
Randall
Reifel
Rhodes, Ariz.
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Rogers, Colo.
Rooney
Rostenkowski
Roudebush
Roush
Rutherford
Ryan
Santangelo
Scott
Selden
Sheppard
Shipley
Short
Shriver
Sikes
Sisk
Smith, Iowa
Smith, Miss.
Smith, Va.
Springer
Steed
Stephens
Stubblefield
Sullivan
Teague, Tex.
Thompson, N.J.
Thornberry
Toll
Trimble
Tuck
Udall, Morris K.
Ullman
Watts
Whitener
Whitten
Wickersham
Williams
Wilson, Ind.
Winstead
Wright
Yates
Zablocki
Zelenko

NAYS—151

Addabbo
Addonizio
Alger
Andersen, Minn.
Anderson, Ill.
Ashbrook
Auchincloss
Baker
Baldwin
Barry
Bass, N.H.
Bates
Becker
Beermann
Bennett, Mich.
Betts
Bolton
Bow
Brewster
Bromwell
Broomfield
Brown
Broyhill
Bruce
Cahill
Cederberg
Chamberlain
Church
Clancy
Collier
Conte
Corbett
Corman
Cramer
Cunningham
Curtin
Curtis, Mass.
Curtis, Mo.
Daniels
Dent
Derounian
Devine
Dorn
Dulski
Durno
Dwyer
Fallon
Fascell
Feighan
Fenton
Findley
Fino
Fogarty
Frelinghuysen
Fulton
Gallagher
Garland
Gavin
Glenn
Goodling
Griffin
Gross
Gubser
Haley
Halpern
Harrison, Wyo.
Harsha
Harvey, Mich.
Herlong
Hiestand
Hoffman, Ill.
Hoffman, Mich.
Holland
Hosmer
Jensen
Joelson
Johansen
Johnson, Md.
Jonas
Judd
Keith
King, N.Y.
Knox
Kunkel
Kyl
Laird
Langen
Lindsay
Lipscomb
McCulloch
McIntire
MacGregor
Mailliard
Marshall
Martin, Mass.
Mason
Mathias
Meader
Merrow
Michel
Miller, N.Y.
Milliken
Minshall
Monagan
Moore
Moorehead, Ohio
Morse
Mosher
Nelsen
Norblad
Ostertag
Pike
Pillion
Poff
Quie
Ray
Reece
Riehlman
Robison
Rodino
Rogers, Fla.
Rousselot
St. Germain
Saylor
Schadeberg
Schenck
Scherer
Schneebeli
Schweiker
Schwengel
Scranton
Seely-Brown
Sibal
Smith, Calif.
Stafford
Staggers
Stratton
Taber
Thomson, Wis.
Tollefson
Tupper
Vanik
Van Pelt
Van Zandt
Wallhauser
Walter
Weis
Whalley
Wharton
Widnall
Wilson, Calif.

NOT VOTING—71

Anfuso
Arends
Ayres
Bass, Tenn.
Bell
Berry
Boggs
Brooks
Buckley
Byrnes, Wis.
Carey
Casey
Celler
Chiperfield
Colmer
Cooley
Daddario
Dague
Derwinski
Dooley
Ford
Frazier
Goodell
Hall
Harrison, Va.
Hébert
Hoeven
Holtzman
Johnson, Calif.
Johnson, Wis.
Jones, Mo.
Kearns
Kilburn
Kluczynski
McDonough
McSween
Martin, Nebr.
Morrison
Moulder
Multer
Norrell
Osmers
Pelly
Pfost
Pilcher
Pirnie
Powell
Rabaut
Rains
Reuss
Rogers, Tex.
Roosevelt
St. George
Saund
Shelley
Siler
Slack
Spence
Taylor
Teague, Calif.
Thomas
Thompson, La.
Thompson, Tex.
Utt
Vinson
Weaver
Westland
Willis
Young
Younger

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Rains for, with Mr. Kilburn against.

Mr. Frazier and Mr. Cooley for, with Mr. Hoeven against.

Mr. Thompson of Texas and Mr. Buckley for, with Mr. Pelly against.

Mr. Berry and Mr. Arends for, with Mr. Ford against.

Mr. Anfuso and Mr. Multer for, with Mr. Pirnie against.

Mr. Powell and Mr. Holtzman for, with Mr. Hall against.

Mr. Celler and Mr. Carey for, with Mr. Martin of Nebraska against.

Mr. Boggs and Mr. Bass of Tennessee for, with Mr. McDonough against.

Mr. Brooks and Mr. Harrison of Virginia for, with Mr. Younger against.

Mr. Shelley and Mr. Willis for, with Mrs. St. George against.

Mr. Roosevelt and Mr. Pilcher for, with Mr. Bell against.

Mr. Rogers of Texas and Mr. Colmer for, with Mr. Byrnes of Wisconsin against.

Mr. Morrison and Mr. Thompson of Louisiana for, with Mr. Osmers against.

Mr. Daddario and Mr. Kluczynski for, with Mr. Utt against.

Until further notice:

Mr. McSween with Mr. Ayres.
Mrs. Pfost with Mr. Saylor.
Mr. Moulder with Mr. Siler.
Mrs. Norrell with Mr. Chiperfield.
Mr. Rabaut with Mr. Dooley.
Mr. Reuss with Mr. Weaver.
Mr. Saund with Mr. Kearns.
Mr. Casey with Mr. Goodell.
Mr. Johnson of California with Mr. Derwinski.
Mr. Johnson of Wisconsin with Mr. Westland.
Mr. Young with Mr. Halpern.
Mr. Slack with Mr. Teague of California.

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

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

The result of the vote was announced as above recorded.

The doors were opened.

## PERSONAL ANNOUNCEMENT

Mr. SANTANGELO. Mr. Speaker, on rollcalls 210, 211, and 212 earlier today I was unavoidably absent on official business. Had I been present, I would have voted "yea" in each instance.

## INCREASE IN TOP GRADE POSITIONS

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7377) to increase the limitation on the number of positions which may be placed in the top grades of the Classification Act of 1949, as amended, and on the number of research and development positions of scientists and engineers for which special rates of pay are authorized; to fix the compensation of hearing examiners; and for other purposes.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

TITLE I—POSITIONS IN TOP GRADES OF CLASSIFICATION ACT OF 1949

*Congressional findings and declaration of policy with respect to top grades of classification act of 1949*

SEC. 101. (a) The Congress hereby finds that—

(1) the public interest requires that effective limitations and controls be established and maintained with respect to the allocation of positions—whether by law or by administrative action—to grades 16, 17, and

18 of the Classification Act of 1949—the so-called top grades below the Federal executive level in the Government service—in order to prevent the unwarranted allocation of positions to such grades and to promote efficiency and economy in the operation of the Government;

(2) one of the principal purposes of the Classification Act of 1949, as originally enacted and as amended from time to time, was, and continues to be, the establishment and maintenance, by specific provisions of such Act, of a coordinated and comprehensive authority and control over the allocation of positions to these top grades of such Act;

(3) under the rules of the Senate and the rules of the House of Representatives, as applicable, and the Legislative Reorganization Act of 1946, the Committee on Post Office and Civil Service of the Senate and the Committee on Post Office and Civil Service of the House of Representatives are vested with exclusive legislative jurisdiction, and charged with the duty of exercising legislative oversight and supervision, with respect to all matters within the purview of the Classification Act of 1949 and the administration thereof, including the allocation of positions to these top grades of such Act;

(4) this legislative authority, duty, and jurisdiction of such committees, and the orderly and established legislative processes of the Congress generally in this respect, are being undermined by the increasing practice, resulting from certain solicitations from individual departments and agencies in the executive branch and elsewhere, of allocating additional numbers of positions to such top grades by means of appropriation Acts and other laws and reorganization plans (other than the Classification Act of 1949) which disregarded the numerical limitations or the standards and procedures, or both, with respect to the allocation of positions to such grades;

(5) at the present time, therefore, the pertinent provisions of the Classification Act of 1949 do not reflect, even by approximation, the existing state of the law with respect to the total number of positions which may be allocated to the top grades of such Act; and

(6) this state of affairs subverts and undermines the object and purpose of the Classification Act of 1949 with respect to the allocation of positions to such top grades of such Act.

(b) It is, therefore, hereby declared to be the sense of the Congress—

(1) that the matter of requesting the allocation of additional numbers of positions to the top grades of the Classification Act of 1949, whether by groups of positions or on an individual basis, is properly within the jurisdiction of those standing committees of the Senate and House of Representatives having jurisdiction over the Classification Act of 1949 in accordance with orderly and established legislative processes—the Committee on Post Office and Civil Service of the Senate and the Committee on Post Office and Civil Service of the House of Representatives;

(2) that the Director of the Bureau of the Budget, the United States Civil Service Commission, and other authority designated by the President exercise to the fullest extent the authority and responsibility of disapproving requests of the departments and agencies in the executive branch for individual exceptions (to be attained through the enactment of laws outside the jurisdiction of the committees above referred to) from the numerical limitations or the standards and procedures, or both, imposed by the Classification Act of 1949 with respect to the allocation of positions to the top grades of such Act; and

(3) that, if need should develop for increasing such numerical limitations or waiving such standards or procedures, or both, in any case or cases, the matter should be presented promptly to the Congress in a manner consistent with the legislative authority, duty, responsibility, and jurisdiction of the respective Committees on Post Office and Civil Service of the Senate and House of Representatives.

*Increase in number of authorized top grade positions under Classification Act of 1949*

SEC. 102. (a) Subsection (b) of section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), relating to the maximum number of positions authorized at any one time for grades 16, 17, and 18 of the General Schedule of such Act, is amended to read as follows:

"(b) Subject to subsections (c), (d), (e), (f), (g), (j), and (m) of this section, a majority of the Civil Service Commissioners are authorized to establish and, from time to time, revise the maximum numbers of positions (not to exceed nineteen hundred and twenty-nine) which may be in grades 16, 17, and 18 of the General Schedule at any one time."

(b) Subsection (j) of such section 505, as amended (5 U.S.C. 1105(j)), relating to positions authorized for the Department of Defense in grades 16, 17, and 18 of the General Schedule of the Classification Act of 1949, is amended by striking out "three hundred seventy-two positions" and inserting in lieu thereof "four hundred twelve positions".

(c) Such section 505, as amended, is amended by adding at the end thereof the following new subsections:

"(m) The Federal Home Loan Bank Board is authorized, subject to the standards and procedures prescribed by this Act, to allot a total of not more than four positions in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

"(n) The Director of the United States Arms Control Agency is authorized, subject to the standards and procedures prescribed by this Act, to allot a total of not more than fourteen positions in grades 16, 17, and 18 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).

"(o) In any case in which, during the Eighty-seventh Congress, provisions are included in any Act of Congress (other than those contained in this Act) which authorize any agency of the Government to place additional positions in grade 16, 17, or 18 of the General Schedule, the Commission is authorized and directed to withdraw from such agency the allotments of a number of positions (equal to the number of such additional positions authorized under such Act of Congress) made by the Commission for such agency out of the number of positions authorized by subsection (b) of this section, to the extent possible in the light of the number of positions so allotted to such agency and in the light of the number of such additional positions authorized under such Act of Congress.".

(d) Subsection (n) of section 505 of the Classification Act of 1949, as amended, as added by subsection (c) of this section, which provides top grade positions for the United States Arms Control Agency, shall not be in effect after December 31, 1961, unless, on or prior to such date, such agency shall have been established by law.

*Conforming changes in existing law*

SEC. 103. The following provisions of law are hereby repealed:

(1) Subsections (f), (k), and (l) of section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105(f), (k), and (l), authorizing five positions, two hundred and sixty positions, and twenty-five positions in grades 16, 17, and 18 of the General Schedule of such Act for the National Security Council, the Department of the Treasury, and the Interstate Commerce Commission, respectively.

(2) Sections 202(b) and 302(j) of the Federal Aviation Act of 1958 (72 Stat. 742 and 747; 49 U.S.C. 1322(b) and 1343(h)), authorizing eight positions and seventy positions in grades 16, 17, and 18 of the General Schedule of the Classification Act of 1949 for the Civil Aeronautics Board and the Federal Aviation Agency, respectively.

(3) The last sentence of section 5(a) of the Small Business Act (72 Stat. 385; 15 U.S.C. 634(a)), authorizing fifteen positions in grades 16, 17, and 18 of such General Schedule for the Small Business Administration.

(4) Section 205(a)(11) of the National Capital Transportation Act of 1960 (74 Stat. 543; Public Law 86-669), authorizing five positions in grades 16, 17, and 18 of such General Schedule for the National Capital Transportation Agency.

(5) The proviso in the paragraph under the heading "FEDERAL POWER COMMISSION" and under the subheading "SALARIES AND EXPENSES" in title I of the Independent Offices Appropriation Act, 1961 (74 Stat. 429; Public Law 86-626), authorizing six positions in grades 16, 17, and 18 of such General Schedule for the Federal Power Commission.

(6) The proviso in the paragraph under the heading "CIVIL AERONAUTICS BOARD" and under the subheading "SALARIES AND EXPENSES" in title III of the Department of Commerce and Related Agencies Appropriation Act, 1959 (72 Stat. 237; 49 U.S.C. 1322, note), authorizing ten positions in such grades 16, 17, and 18 for the Civil Aeronautics Board.

(7) Subsection (b) of the first section of the Act of September 23, 1959 (73 Stat. 700; 5 U.S.C. 1105, note; Public Law 86-377), containing certain provisions with respect to positions in such grades 16, 17, and 18 in the Department of Defense, which reads as follows:

"(b) The total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the General Schedule of such Act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act. The respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such schedule at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act."

(8) That part of the first sentence of section 601 of the Supplemental Defense Appropriation Act, 1958 (72 Stat. 8; 10 U.S.C. 1581, note), authorizing the Secretary of Defense to place ten positions in such grades 16, 17, and 18, which reads as follows: ", and to place ten positions in grades 16, 17, or 18 of the General Schedule, in accordance with the procedures prescribed in the Classification Act of 1949, as amended".

(9) The last paragraph under the heading "GENERAL SERVICES ADMINISTRATION" in title I of the Independent Offices Appropriation Act, 1957 (70 Stat. 345; Public Law 623, Eighty-fourth Congress), authorizing ten positions in grade 16 of the General Schedule of the Classification Act of 1949 for the General Services Administration.

(10) That part of the second sentence of section 3 of Reorganization Plan Numbered 1

of 1958, effective July 1, 1958 (72 Stat. 1800; 23 F.R. 4991), authorizing not to exceed ten positions of regional director of the regional offices of the Office of Civil and Defense Mobilization to receive compensation under the Classification Act of 1949 without regard to the numerical limitations on positions in section 505 of such Act, which reads as follows: "except that the compensation may be fixed without regard to the numerical limitations on positions set forth in section 505 of the Classification Act of 1949, as amended (5 U.S.C. 1105)".

(11) The paragraph under the heading "COMMODITY CREDIT CORPORATION" in chapter I of the Supplemental Appropriation Act, 1956 (69 Stat. 451; 15 U.S.C. 714h, note), authorizing the position of sales manager in the Commodity Credit Corporation to be placed in grade 17 of the General Schedule of the Classification Act of 1949.

(12) Section 302 of the Act of July 31, 1956 (70 Stat. 743; 5 U.S.C. 517c), authorizing three positions of Deputy Administrator of the Agricultural Research Service, Department of Agriculture, to be placed in grade 18 of such General Schedule.

(13) That part of the first paragraph of section 205 of the Public Works Appropriation Act, 1958 (71 Stat. 423; Public Law 85-167), which reads as follows: "the position of Administrator of the Southeastern Power Administration shall be in grade GS-18 of the Classification Act of 1949, as amended, but without regard to the numerical limitation contained in section 505 of said Act;".

(14) That part of the sixth sentence of section 3(a) of the Fish and Wildlife Act of 1956 (70 Stat. 1120; 16 U.S.C. 742b(a)), authorizing the position of Director of the Bureau of Commercial Fisheries, and of Director of the Bureau of Sport Fisheries and Wildlife, United States Fish and Wildlife Service, Department of the Interior, to be placed in grade 17 of the General Schedule of the Classification Act of 1949, which reads: "at Grades GS-17 each".

(15) The second proviso in the paragraph under the heading "CIVIL AERONAUTICS ADMINISTRATION" and under the subheading "OPERATION AND REGULATION" in title I of the Department of Commerce and Related Agencies Appropriation Act, 1959 (72 Stat. 228; 49 U.S.C. 1343, note), authorizing ten positions in grades 16, 17, and 18 of the General Schedule of the Classification Act of 1949.

*Savings provisions*

SEC. 104. (a) The changes in existing law made by sections 102 and 103 of this title shall not affect any position existing immediately prior to the effective date of such changes in existing law, the compensation attached to such position, and any incumbent thereof, his appointment thereto, and his entitlement to receive the compensation attached thereto, until appropriate action is taken in accordance with this title.

(b) Positions in grades 16, 17, or 18, as the case may be, of the General Schedule of the Classification Act of 1949, as amended, immediately prior to the effective date of this section, shall remain, on and after such effective date, in their respective grades, until appropriate action is taken under section 505 of the Classification Act of 1949 as in effect on and after such effective date.

TITLE II—SCIENTIFIC AND PROFESSIONAL POSITIONS AND POSITIONS OF A SECURITY NATURE

*Increase in number of positions of a security nature in the National Security Agency under the Act of May 29, 1959*

SEC. 201. Section 2 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), authorizing the Secretary of Defense to establish positions in the National Security Agency, is amended by striking out "Not more than fifty such officers and employees shall be paid basic compensation at rates equal to rates of basic compensation contained in grades 16, 17, and 18 of such General Schedule." and inserting in lieu thereof the following: "Not more than seventy such officers and employees shall be paid basic compensation at rates equal to rates of basic compensation contained in grades 16, 17, and 18 of such General Schedule.".

*Increase in number of scientific and professional positions under the Act of August 1, 1947 (Public Law 313, Eightieth Congress)*

SEC. 202. (a) The Act of August 1, 1947 (Public Law 313, Eightieth Congress), as amended (5 U.S.C. 1161-1163), is amended to read as follows:

"That (a) the Secretary of the Interior is authorized to establish and fix the compensation for not more than eight scientific or professional positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

"(b) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than twenty scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

"(c) The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than thirteen scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

"(d) The Secretary of Commerce is authorized to establish and fix the compensation for not more than thirty scientific or professional positions in the Department of Commerce, of which not less than five shall be for the United States Patent Office in its examining and related activities, each such position being established to effectuate those research and development functions of such department which require the services of specially qualified personnel.

"(e) The Postmaster General is authorized to establish and fix the compensation for not more than three scientific or professional positions in the Post Office Department, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"(f) The Director of the United States Arms Control Agency is authorized to establish and fix the compensation for not more than fourteen scientific or professional positions in the United States Arms Control Agency, each such position being established to effectuate those research and development functions of such agency which require the services of specially qualified personnel.

"SEC. 2. (a) Positions created pursuant to this Act shall be included in the competitive civil service of the United States, but appointments to such positions shall be made without competitive examination upon approval of the proposed appointee's qualifications by the United States Civil Service Commission or such officers and agents as the Commission may designate for this purpose.

"(b) The rates of compensation for positions established pursuant to the provisions of this Act shall not be less than $12,500 per annum nor more than $19,000 per annum and shall be subject to the approval of the United States Civil Service Commission.

"(c) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government referred to in this Act to establish and fix the compensation of scientific or professional positions similar to those authorized by this Act, the number of such positions authorized by this Act shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by the provisions of such appropriation Act.

"SEC. 3. The head of each department or agency authorized to establish and fix the compensation of positions under this Act shall submit to the Congress, not later than December 31 of each year, a report setting forth the number of positions established pursuant to this Act in his department or agency during that calendar year, and the name, rate of compensation, and description of the qualifications of each incumbent, together with a statement of the functions performed by each. In any instance in which any such department or agency head may consider full public report on these items detrimental to the national security, such department or agency head is authorized to omit such items from his annual report and, in lieu thereof, to present such information in executive sessions of such committees of the Senate and House of Representatives as the presiding officers of those bodies shall designate."

(b) Subsection (f) of the first section of the Act of August 1, 1947 (Public Law 313, Eightieth Congress), as amended, as added by subsection (a) of this section, which provides scientific and professional positions for the United States Arms Control Agency, shall not be in effect after December 31, 1961, unless, on or prior to such date, such Agency shall have been established by law.

*Increase in number of scientific and professional positions in Department of Defense under section 1581(a) of title 10, United States Code*

SEC. 203. Section 1581(a) of title 10 of the United States Code, authorizing the Secretary of Defense to establish not more than four hundred fifty scientific and professional positions in the Department of Defense, is amended by striking out "four hundred fifty civilian positions" and inserting in lieu thereof "five hundred thirty-five civilian positions".

*Increase in number of scientific and professional positions in the National Security Agency under the act of May 29, 1959*

SEC. 204. Section 4 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), authorizing the Secretary of Defense to establish not more than fifty scientific and professional positions in the National Security Agency, is amended by striking out "fifty civilian positions" and inserting in lieu thereof "sixty civilian positions".

*Increase in number of scientific and professional positions in the Federal Aviation Agency under section 302(h) of the Federal Aviation Act of 1958*

SEC. 205. (a) Section 302(h) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(f)), authorizing the Administrator of the Federal Aviation Agency to establish not more than fifteen scientific and professional positions in the Federal Aviation Agency, is amended by striking out "fifteen positions" and inserting in lieu thereof "twenty positions".

(b) Section 302(f) of the Federal Aviation Act of 1958 (72 Stat. 746; 49 U.S.C. 1343(d)), which provides for not to exceed ten positions in the Federal Aviation Agency at rates of annual compensation of not to exceed $19,500, is amended by striking out "ten positions" and inserting in lieu thereof "twenty positions".

*Increase in number of scientific, engineering, and administrative positions in the National Aeronautics and Space Administration under section 203(b)(2) of the National Aeronautics and Space Act of 1958*

SEC. 206. (a) Section 203(b)(2) of the National Aeronautics and Space Act of 1958

(72 Stat. 429; 42 U.S.C. 2473(b)(2)), authorizing the Administrator of the National Aeronautics and Space Administration to establish not more than two hundred and ninety scientific, engineering, and administrative positions in the National Aeronautics and Space Administration, is amended by striking out "two hundred and ninety" and inserting in lieu thereof "three hundred and fifty-five".

(b)(1) The Administrator of the National Aeronautics and Space Administration shall submit to the Congress not later than forty-five days after the close of each fiscal year a report which sets forth, as of the close of such fiscal year—

(A) the number of positions established under section 203(b)(2) of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473(b)(2));

(B) the name, rate of compensation, and description of the qualifications of each incumbent of each position established under such section 203(b)(2), together with the position title and a statement of the duties and responsibilities performed by each such incumbent;

(C) the position or positions in or outside the Federal Government held by each such incumbent, and his rate or rates of compensation, during the five-year period immediately preceding the date of appointment of such incumbent to such position; and

(D) such other information as the Administrator may deem appropriate or which may be required by the Congress or a committee thereof.

Nothing contained in this subsection shall require the resubmission of any information required under subparagraphs (B) and (C) of this subsection which has been reported pursuant to this subsection and remains unchanged.

(2) In any instance in which the Administrator may find full public disclosure of any or all of the matter covered by paragraph (1) of this subsection to be detrimental to the national security, the Administrator is authorized—

(A) to omit in such report those matters with respect to which full public disclosure is found to be detrimental to the national security;

(B) to inform the Congress of such omission; and

(C) at the request of any congressional committee to which such report is referred, to present all information concerning such matters.

TITLE III—REALINEMENT OF COMPENSATION OF CERTAIN POSITIONS UNDER THE CLASSIFICATION ACT OF 1949 AND THE FEDERAL EXECUTIVE PAY ACT OF 1956

*Removal of certain positions from the purview of the Federal Executive Pay Act of 1956*

SEC. 301. (a) Section 107(a) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2206(a)), providing annual compensation of $17,500 for certain positions, is amended by striking out the following paragraphs:

"(2) Administrator, Bonneville Power Administration.";

"(3) Administrator, Farmers' Home Administration.";

"(4) Administrator, Soil Conservation Service, Department of Agriculture.";

"(9) Chief Forester of the Forest Service, Department of Agriculture.";

"(10) Chief of Staff of the Joint Committee on Internal Revenue Taxation.";

"(11) Commissioner of Customs.";

"(12) Commissioner, Federal Supply Service, General Services Administration.";

"(14) Commissioner of Narcotics.";

"(15) Commissioner, Public Buildings Service.";

"(17) Commissioner of Reclamation.";

"(22) Manager, Federal Crop Insurance Corporation, Department of Agriculture."; and

"(23) Director of Coal Research, Department of the Interior.".

(b) Section 107(b) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2206(b)), providing annual compensation of $17,000 for certain positions, is amended by striking out

"(2) Treasurer of the United States.".

*Conforming changes in existing law*

SEC. 302. (a) The proviso contained in the first sentence of section 5(d) of the Farm Credit Act of 1953, as amended (73 Stat. 387; 12 U.S.C. 636d(d)), providing annual compensation of $17,500 for not more than three positions of deputy governor in the Farm Credit Administration, is amended to read as follows: ": *Provided*, That the salary of not more than three positions of deputy governor each shall be fixed by the Board at a rate not exceeding the maximum scheduled rate of the General Schedule of the Classification Act of 1949, as amended".

(b)(1) There is hereby repealed the second sentence of section 4201 of title 18 of the United States Code, providing annual compensation of $17,500 for each member of the Board of Parole in the Department of Justice, which reads as follows: "The annual rate of basic compensation of each member of the Board shall be $17,500.".

(2) The section heading of such section 4201 is amended by striking out "; salaries".

(3) The table of contents of chapter 311 of such title 18 is amended by striking out

"4201. Board of Parole; members; salaries."

and inserting in lieu thereof

"4201. Board of Parole; members.".

(c) Notwithstanding any other provision of law, the rate of gross annual compensation of the Chief of Staff of the Joint Committee on Internal Revenue Taxation shall be an amount which is equal to $17,500, as inceased in the manner provided by section 4(r) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 209; Public Law 85-462) and section 117(g) of the Federal Employees Salary Increase Act of 1960 (Part B of the Act of July 1, 1960; 74 Stat. 304; Public Law 86-568).

(d) On and after the effective date of this subsection, section 116(a) of the Federal Employees Salary Increase Act of 1960 (Part B of the Act of July 1, 1960; 74 Stat. 303; Public Law 86-568) shall not be applicable with respect to the Deputy Director of the Administrative Office of the United States Courts.

(e)(1) Section 106(b) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2205(b)), is amended by striking out

"(1) Architect of the Capitol.".

(2) Section 107(a) of such Act, as amended (5 U.S.C. 2206(a)), is amended by striking out

"(5) Assistant Architect of the Capitol.".

(f) Section 202(e) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(e)), is amended—

(1) by striking out "$8,880" where it first appears in such subsection and inserting in lieu thereof "the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended,"; and

(2) by striking out "$8,880" at the second place where it appears in such subsection and inserting in lieu thereof "the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended".

(g)(1) This subsection is enacted as an exercise of the rulemaking power of the House of Representatives with full recognition of the constitutional right of the House of Representatives to change the rule amended by this subsection at any time, in the same manner, and to the same extent as in the case of any other rule of the House of Representatives.

(2) Clause 28(c) of Rule XI of the House of Representatives is amended—

(A) by striking out "$8,880" where it first appears in such clause and inserting in lieu thereof "the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended,"; and

(B) by striking out "$8,880" at the second place where it appears in such clause and inserting in lieu thereof "the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended".

*Readjustment of certain pay levels of the Federal Executive Pay Act of 1956 and realinement of compensation for positions in such pay levels and certain positions of Presidential assistants with the compensation for positions in grade 18 of the Classification Act of 1949*

SEC. 303. (a) Section 106(c) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2205(c)), providing annual compensation of $18,000 for the Commissioners of the Indian Claims Commission, is hereby repealed.

(b) Section 107(a) of such Act, as amended (5 U.S.C. 2206(a)), providing annual compensation of $17,500 for certain positions, is amended—

(1) by striking out "$17,500" and inserting in lieu thereof "$18,500"; and

(2) by adding immediately below paragraph (23) thereof the following new paragraph (24):

"(24) Commissioner of the Indian Claims Commission (3)."

(c) Section 107(b) of such Act, as amended (5 U.S.C. 2206(b)), providing annual compensation of $17,000 for certain positions, is amended by striking out "$17,000" and inserting in lieu thereof "$18,000".

(d) Section 105 of title 3 of the United States Code, providing for the compensation of certain assistants to the President, is amended by striking out "$17,500" and inserting in lieu thereof "$18,500".

(e) Section 106(a) of the Federal Executive Pay Act of 1956, as amended (5 U.S.C. 2205(a)), providing annual compensation of $20,000 for certain positions, is amended by inserting

"(48) General Counsel, United States Arms Control Agency.

"(49) Public Affairs Advisor, United States Arms Control Agency."

immediately following

"(47) Commissioner of Education.".

*Savings provisions*

SEC. 304. Except as provided by subsections (a), (c), (d), (e), (f), and (g) of section 302 of this title, each position specifically referred to in or covered by any amendment made by sections 301 and 302 of this title shall be placed in the appropriate grade of the General Schedule of the Classification Act of 1949, as amended, in accordance with the provisions of such Act. The incumbent of each such position immediately prior to the effective date of this section shall continue to receive the rate of basic compensation which he was receiving immediately prior to such effective date until he leaves such position or until he is entitled to receive compensation at a higher rate in accordance with law. When such incumbent leaves such position, the rate of basic compensation of each subsequent appointee to such position shall be determined in accordance with the Classification Act of 1949, as amended.

*Effective dates*

SEC. 306. (a) The foregoing provisions of this title (except sec. 303(e)) shall become effective at the beginning of the first pay period which begins on or after the 60th day following the date of enactment of this Act.

(b) Paragraphs (48) and (49) of section 106(a) of the Federal Executive Pay Act of 1956, as amended, as added by section 303(e) of this title, which establish annual compensation of $20,000 for the positions of General Counsel and Public Affairs Advisor, respectively, in the United States Arms Control Agency, shall not be in effect after December 31, 1961, unless, on or prior to such date, such Agency shall have been established by law.

TITLE IV—POSITIONS IN TOP SALARY LEVELS IN THE POSTAL FIELD SERVICE

*Increase in number of authorized top salary level positions in the Postal Field Service*

SEC. 401. Section 3301 of title 39, United States Code, relating to the maximum number of positions authorized at any one time for salary levels 17, 18, 19, and 20 in the postal field service, is amended by adding at the end thereof the following new sentence: "In addition to the number of positions prescribed by subparagraphs (2) to (5), inclusive, of this section, the Postmaster General is authorized to assign a total of not more than forty positions among salary levels 17, 18, 19, and 20 as he may determine.".

Amend the title so as to read: "A bill to increase the limitation on the number of positions which may be placed in the top grades of the Classification Act of 1949, as amended, and on the number of research and development positions of scientists and engineers for which special rates of pay are authorized, and for other purposes."

The SPEAKER pro tempore. Is a second demanded?

Mr. BOW. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

## LEGISLATIVE PROGRAM

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

Mr. MURRAY. I will be glad to yield to the gentleman.

Mr. HALLECK. I have asked the gentleman to yield for the purpose of inquiring of the acting majority leader as to the program for the balance of the day and for as much of the rest of the week as he can tell us.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, I would like to advise the distinguished minority leader and the Members of the House that we plan to continue with the suspensions that have been programed for the balance of the day.

Tomorrow is Private Calendar Day and we will go on with bills previously programed: H.R. 9118, establish U.S. Arms Control Agency; House Joint Resolution 569, Atomic Energy Act; H.R. 8847, taxes, dividend distribution. The conference report on H.R. 8302, the military construction appropriation bill will probably be called before any of these bills.

On Wednesday, H.R. 7723, Armed Forces, per diem rates increased, and the chairman of the Committee on the District of Columbia desires to call up certain bills.

Mr. Speaker, I ask unanimous consent that it may be in order on Wednesday next for the chairman of the Committee on the District of Columbia to call up certain bills which I shall read.

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

There was no objection.

Mr. ALBERT. S. 158, adoption petition; S. 558, exemption of fees; S. 564, operation expenses, Woodrow Wilson Bridge; S. 1291, drivers' licenses, increase fee, learners' permits; S. 2397, National Capital Transportation Agency, carry out part 1.

I am also advised that the chairman of the Committee on Ways and Means will ask unanimous consent to consider the following bills:

H.R. 221, tax on tires and inner tubes.

H.R. 7859, credit against estate tax.

H.R. 8652, income tax treatment conversion from street railway to bus operation.

S. 1750, to strengthen Federal Firearms Act.

Mr. Speaker, I ask unanimous consent that all rollcall votes, except those on procedural matters, on Wednesday, September 20, be postponed until Thursday, September 21.

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

There was no objection.

Mr. HALLECK. Mr. Speaker, the gentleman refers to certain bills out of the Ways and Means Committee which will be called up under consent request. In order that there may be no misunderstanding, I have not had an opportunity to look over those bills or discuss them with our members on the Ways and Means Committee; so, as far as I am concerned, I have made no agreement with respect to them, but I will undertake to find out whether or not it is satisfactory.

Mr. ALBERT. The gentleman from Arkansas intends to call each bill individually by unanimous consent.

## INCREASE IN TOP-GRADE POSITIONS

The SPEAKER pro tempore. The gentleman from Tennessee is recognized.

Mr. MURRAY. Mr. Speaker, this legislation is based on the official request of the administration for urgently needed positions at higher levels of responsibility where the Government faces difficulty in recruiting and retaining capable management, scientific, and professional personnel because of existing limitations on numbers of positions at the appropriate salary levels.

I want to take this opportunity to commend the chairman of our Manpower Utilization Subcommittee, the gentleman from Georgia [Mr. JAMES C. DAVIS] and the entire membership of his subcommittee for their excellent work on this legislation. The bill has the unanimous support of that subcommittee and of the Committee on Post Office and Civil Service. In my judgment, it represents one of the finest products of our committee system which will be considered by the Congress this year.

The subcommittee conducted extensive hearings during the period June 20 to August 18, and held a number of executive sessions before reporting this bill. Aside from the hearings, the subcommittee also made an independent study in depth of the requirements of each department and agency with respect to all of the various categories of positions which had been requested. I can personally assure the membership that, on the basis of the thorough committee scrutiny and evaluation, every request for a position and for a salary level in this bill has been fully documented and completely justified.

I strongly urge approval of H.R. 7377.

Mr. BOW. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, it is with reluctance that I rise in support of H.R. 7377.

Mr. Speaker, I base my support on these reasons: First, if additional top management jobs are to be provided the departments and agencies it must be done in an orderly and legal fashion; second, there are places within the Federal Government where some additional top management and research and engineering jobs are needed; and third, unless the Congress recognizes the request for additional top jobs then we will likely have a much more costly alternative of high-price consultants and excessive contractor costs.

The Legislative Reorganization Act of 1946 provides that the Senate and House Post Office and Civil Service Committee shall have jurisdiction over the numbers and pay of classified employees. Despite this longstanding legal requirement, we have had during this session of Congress as wild an outburst for additional supergrades from committees other than the Post Office and Civil Service Committee as I have ever witnessed during my years in Congress. We can never hope to control this very important civil service matter unless we insist upon its orderly handling as prescribed by the Legislative Reorganization Act.

After hearing from several different departments and agencies, the Manpower Utilization Subcommittee, which is charged with the responsibility by the Post Office and Civil Service Committee for controlling supergrades, came up with this bill, and our recommendations were unanimously adopted by the full committee. We believe this bill, H.R. 7377, represents the orderly and legal way for Congress to recognize the need for additional top jobs in the Federal Government.

As to my second point, H.R. 7377 by providing an additional 668 top-level jobs recognizes additional requests and more complex functional areas in such departments as Defense, National Aeronautics and Space Administration, Federal Aviation Agency, and the Post Office. The rapid growth of our country, as reflected in the operations of the Post

Office Department and the Federal Aviation Agency, and the increased complexities of some phases of Government, as revealed by the cold war and our space program, mean additional requirements for top-level people. We feel that this bill adequately meets those additional requirements.

As to my third point, unless the Congress does provide a certain number of additional top jobs to the departments and agencies we can undoubtedly expect a much more costly alternative; namely, the $75 to $100 per day consultants, or the more expensive cost-plus contractors. As for example, during the hearings this summer on H.R. 7377 our subcommittee learned from the Under Secretary of the Air Force that the Department has created a cost-plus corporation to manage its missile program; namely, Aero Space Corporation, which is paying its president $75,000 a year and five vice presidents at salaries ranging from $35,000 to $50,000 a year. I am opposed to such business and hope that this bill will at least put the brakes on such extravagant manpower costs.

Mr. Speaker, I believe, and again I say it with reluctance, that H.R. 7377 should be passed.

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

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

Mr. BOW. Could the gentleman advise the House what this total package is going to cost?

Mr. GROSS. I would say somewhere between $3 and $5 million. It is not easy to estimate.

Mr. BOW. Does that include the supergrades we are establishing in the form of other specialist positions? Are they included in the $3 to $4 million that the record shows?

Mr. GROSS. I think that would be the fact.

Mr. Speaker, this bill is in the nature of a trial run as far as I am concerned. This is an attempt to control the supergrade situation which is rapidly getting out of hand. If this fails then we may as well throw civil service procedure into the discard insofar as trying to control top bracket salaries in the Government.

The original mistake was made when this system of supergrades was established before my time in Congress. This is an attempt to keep a bad situation from becoming worse.

Mr. MURRAY. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. JAMES C. DAVIS].

Mr. JAMES C. DAVIS. Mr. Speaker, I rise in support of H.R. 7377.

The three basic purposes of this legislation are: First, to reaffirm by declaration of congressional policy that requests for additional numbers of supergrade positions are properly within the jurisdiction of the Committee on Post Office and Civil Service of the House of Representatives; second, to increase the number of top-level positions in the Federal Government, and, third, to amend and adjust the Federal Executive Pay Act of 1956.

The Committee on Post Office and Civil Service in the House has for some time been gravely concerned by the large number of bills that each year come from other committees, other than our committee, to provide additional supergrade positions for the executive branch. During this first session of the 87th Congress, there have been some 45 bills. In my opinion, the situation simply got out of hand.

Section 101 of this bill reaffirms and puts into law the responsibility and jurisdiction of the Committees on Post Office and Civil Service in the House and in the Senate over supergrades in the Classification Act. By so reaffirming and putting into law this statement, I believe we will avoid the outbreak of supergrades from committees other than the Post Office and Civil Service, which has become so noticeable.

As to new positions, this bill provides for a total of 668 additional top-level jobs, broken down as follows: 414 supergrades, 214 scientific type, and 40 for the postal field service of the Post Office Department.

The Manpower Utilization Subcommittee, of which I am chairman, spent considerable time with the chairman of the Civil Service Commission and the heads of nine other departments and agencies concerning their needs for additional top jobs. As a result of these hearings the subcommittee arrived at the finding which I have just mentioned. I am proud to state that our recommendations were unanimously adopted by the Post Office and Civil Service Committee.

This bill provides 370 additional supergrades specifically to the Civil Service Commission for their allocation to the departments and agencies.

Several Members have asked questions as to the specific number of jobs the bill contains for particular departments and agencies. Except for two or three departments, notably Defense, the additional positions have been assigned to the Civil Service Commission to be reassigned by the Commission to the departments and agencies.

The Civil Service Commission is also given additional authority under H.R. 7377, over 451 supergrades that are currently allocated to 14 departments and agencies. We believe the Civil Service Commission should have this additional authority and that by so providing we have likewise strengthened the control of Congress over supergrade positions.

H.R. 7377 recognizes the need in the Civil Service Commission and in departments and agencies for greater flexibility in the use of supergrade jobs by removing limitations on the numbers of positions that can be in grades GS–17 and GS–18. The administration requested this removal and the committee concurred.

In recognition of the growing demands in our Government for emphasis on research and the applications of research, be it for example in the missile race, aviation, medicine, or food preservation, this bill provides for 214 scientific and engineering type jobs paying from $12,500 to $19,500 per year. The largest numbers were earmarked to the Defense Department; namely, 85, and 65 for the National Aeronautics and Space Administration.

When the Federal Executive Pay Act of 1956 was passed the positions receiving the lowest rate of compensation under that act were paid a minimum rate of $500 less than the maximum rate under the Classification Act of 1949. Since 1956 employees, subject to the Classification Act of 1949, received two increases in compensation, but no general increases have been granted positions under the Federal Executive Pay Act. This has resulted in situations whereby heads of agencies and bureaus, whose positions are under the Federal Executive Pay Act, are receiving as much as $1,000 per year less than their deputies or assistants who are under the Classification Act.

This bill removes 20 of these positions, as for example the positions of the Administrator of Farmers Home Administration, Commissioner of Customs, and Commissioner of Public Buildings Service from the Federal Executive Pay Act and places them under the Classification Act. Many comparable positions, as for example, the Director of the Weather Bureau and Director of Census, have always been under the Classification Act.

Certain other positions now under the Federal Executive Pay Act, as the Deputy Public Printer and three assistants to the President, will remain under this act but will receive salary adjustments of from $500 to $1,000 per year to conform with the increases received by the Classification Act employees.

Mr. Speaker, within recent weeks the House has on several occasions, and notably last week on the Peace Corps legislation, voted to remove supergrades from bills coming from other committees. We indicated that the committee was developing a bill to provide for these additional top management needs. In my opinion, today, we have before the House a bill that meets, for the present, the administration's requirements for additional top jobs.

Mr. Speaker, I ask the support of all the Members for the passage of H.R. 7377.

The omnibus bill, Post Office and Civil Service Committee H.R. 7377, is being amended today to include 14 scientific and professional-type jobs; namely, Public Law 313 positions, and 14 supergrade positions to meet the requirements, and two positions at $20,000 a year; namely, the General Counsel and the public affairs adviser, if and when created, of the U.S. Arms Control Agency.

The U.S. Arms and Control Agency will be discussed later today under H.R. 9118. That bill provides for 45 scientific and supergrade type positions. After several hours of discussion with the able chairman of the Foreign Affairs Committee, the gentleman from Pennsylvania, the Honorable THOMAS E. MORGAN, and with the Deputy to the Adviser to the President on Disarmament, Mr. Adrian S. Fisher, we have reached an agreement whereby the Post Office and Civil Service Committee bill, now under consideration, will provide for an adequate number of top-level jobs, if and when the Arms Control Agency is established. The number we are requesting in the Post Office and Civil Service Com-

mittee for this proposed agency is 30. This number has been agreed upon, first by Mr. Fisher, Adviser to the President on this matter and, secondly, by Dr. Morgan.

Later today when the House considers H.R. 9118, I will propose an amendment to strike out the 45 supergrades as found in the bill as presently written.

The purpose of this is merely to continue an orderly handling of the top management jobs in the Federal Government; to abide by the Legislative Reorganization Act of 1946, and by the rules of the House.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield.

Mr. TEAGUE of Texas. Mr. Speaker, we have given Mr. James Webb, Administrator of the National Aeronautics and Space Administration, one of the most difficult jobs in our Government. Mr. Webb is very familiar with our Government, both from the standpoint of work within the Government and from the standpoint of a private citizen. Mr. Webb was Director of the Budget for a number of years and has also occupied a high office in the State Department.

In my opinion, the Congress has done very well as far as providing adequate funds for the program, but unless we provide adequate personnel we may as well not provide the funds. The Bureau of the Budget and Civil Service Commission have given their support to revising the present NASA authorizing legislation to include an additional 135 excepted positions. It is my understanding that this bill provides 65 positions.

The chairman of the subcommittee has stated that NASA could come back before his subcommittee in January, but it is my understanding that NASA has filled all but five of these positions, that research and development teams are never easy to organize and I hope, Mr. Speaker, that the other body will restore these positions and give NASA every chance to succeed in accomplishing their most difficult mission.

This is a new organization, there is no real history to go by but the personnel problems have been very carefully worked out within the executive branch of the Government and it is my understanding that within the Bureau of the Budget and the Civil Service Commission there was already a considerable cut in the number of excepted positions requested before the bill ever reached the Congress.

Mr. JAMES C. DAVIS. I am glad to comment on that at the request of the gentleman from Texas. We had the head of that agency appear before our subcommittee and discuss his needs in considerable detail. We reached the conclusion, after considering that evidence, that the 65 scientific and professional positions which are included in this bill are ample to take care of the needs this year of that agency.

Mr. TEAGUE of Texas. The gentleman is thinking about until January?

Mr. JAMES C. DAVIS. We feel that if they can fill those positions by that time and it develops that they are not enough, we will be holding sessions beginning in January.

Mr. TEAGUE of Texas. And they could come back before the committee and ask for more positions if they need them?

Mr. JAMES C. DAVIS. Yes. We will be glad to hear them.

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

Mr. JAMES C. DAVIS. I yield to the gentleman from Ohio.

Mr. HAYS. In view of what the gentleman said about the disarmament agency, what would be the position of this organization if the bill setting it up should pass and the bill we are now considering should not pass the other body?

Mr. JAMES C. DAVIS. They would be in the same position that other agencies depending on this bill would be, but I think that is a very remote possibility.

Mr. HAYS. The gentleman thinks, in other words, there is a good chance this bill will pass the other body before we adjourn?

Mr. JAMES C. DAVIS. I have been over there and discussed this with the majority leader of the other body, and was told by him that this bill or similar legislation would be called up there tomorrow or Wednesday.

Mr. HAYS. I thank the gentleman.

Mr. BOW. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

THE FINAL RESULT

Mr. HOFFMAN of Michigan. Mr. Speaker, in the olden days neighbors meeting to discuss matters of vital interest sometimes, yes, frequently, opened the meeting by the chairman's saying, "Let us pray." The House each day is opened with prayer, although very few are present. It is questionable whether the general welfare is our objective as we enact legislation.

Perhaps it would be well, in view of the statement made the other day and so often repeated that every 24 hours we are adding $24 million to our national debt, to take a closer look at the effect of each bill as it came time to vote.

This to me is a very, very unpleasant day, because Members, presumably patriotic and able and with the Nation's interests at heart, find themselves in disagreement. A great deal of pleasure was mine as my colleague from Iowa [Mr. GROSS], the champion, I might add, of economy and efficiency, explained that this bill which came from the committee of which he is a working member, while it would cost an additional $2 to $5 millions, is that not correct, will my friends advise?

Mr. GROSS. Yes, that is right; around $4 million.

Mr. HOFFMAN of Michigan. We add that to the $24 million that each day we are going in the red?

Mr. GROSS. That is right.

Mr. HOFFMAN of Michigan. Explain that; the enactment of this bill is really a saving because if we do not grant this particular increase there will be many more expensive measures forced through. Another gentleman from Iowa [Mr. JENSEN] nods his head in the affirmative. Perhaps we should open the discussion of every bill with prayer for the relief of the taxpayers of our land. In any event, here we find ourselves, and those who have voted conservative like my colleague from Pennsylvania [Mr. FULTON] who recently joined us anew in a drive for economy and efficiency, who stated the other day that he was a moderately conservative Republican—I am a moderately progressive Republican.

I do not know just exactly what the gentleman meant—"favors this legislation." He has been voting with the conservatives recently. Permit me to compliment our colleague, the gentleman from Georgia [Mr. JAMES C. DAVIS] who again made one of his scholarly, exhaustive, factual, and logical statements telling us what the situation was. He supports this bill, and I assume, he and the gentleman from Iowa [Mr. GROSS], is it correct to say that you are now in favor of this bill because you fear worse?

Mr. GROSS. That is exactly right.

Mr. HOFFMAN of Michigan. That is, if we do not take this—it is somewhat similar to the disagreeable dose when mother gave us castor oil and she would put in it a little something to make it go down easier—make it sweeter?

Mr. GROSS. That is right. That is the story.

Mr. HOFFMAN of Michigan. You have my sympathy.

Mr. GROSS. This is a little less worse than what we would get, if we do not pass the bill.

Mr. HOFFMAN of Michigan. Thank you for trying to avoid the greater evil. But I personally have little faith in an executive department head or employee asking or willingly taking less. In view of that national debt of almost $200 billion and the necessity of adding $24 million each day we might well lessen rather than increase our appropriations or authorization.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOW. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, I do think we need some specific designations about where these people fit in this philosophical circle here because when you look around here at the two parties, it is hard to tell which party anybody belongs to. I do rate myself as a moderate conservative who balances the budget but wants progress and human welfare given their place in the sun, too.

I would like to recommend that the Congress consider further the National Aeronautics and Space Agency request for 135 increase in number of scientific, engineering, and administrative positions in NASA, which was cut by the Post Office and Civil Service Committee to 65.

For the best managed research and development U.S. program in space, the National Aeronautics and Space Administration needs an increase from 290 to 425 in the number of scientific, engineering and administrative personnel which the Administrator may appoint whose rates of compensation he may

fix up to a limit of $19,000 a year. Instead of the committee increase of 65, the figure of increase should be the 135 extra scientific, engineering, research, and administrative personnel that are necessary. There is no doubt that if these manned Mercury space programs are to keep equal with Russia, we need one-third of this increase in the central project staff, and two-thirds for development and technological competence are required in the field center activities; 90 to 95 percent of these will be scientists and engineers and only a few in the field of management. For example, we have Dr. Wernher von Braun's group at the Marshall Space Center at Huntsville, Ala., making the new giant rockets.

We have under the National Aeronautics and Space Act of 1958 the authority in the Administrator to fill 13 positions that are between $19,000 and $22,000 for these high level research and administrative personnel. I believe that should be increased to 30 positions which will be an opportunity for upgrading in legitimate cases for outstanding ability. My recommended number of increases would make the total number 425 in lieu of the 355 positions, which is the committee figure. If amendments were possible at this time I would strike out the previous position authorizing the Administrator to appoint 13 in the upper level of $19,000 to $21,000 and giving them 30 personnel in these positions.

We should not forget over the next 10 years, the National Aeronautics and Space Agency is going to spend $35 billion in advance study and advance science and technology requiring good leadership and good people. Eighty percent of these funds are going to be paid out through private industry and likewise through research and other organizations such as universities. By far, the larger part of it will be spent through private industry. In order to have good management of this large space program, we need this additional scientific, engineering, and management personnel. We are asking for 135 extra positions. I hope we will keep even with Russia, and not only keep up with them but leap-frog them into space. Think of the great gains to our people and the world through the Tiros weather satellites, to predict hurricanes, storms, floods, and droughts. Also think of the gains in worldwide communications through our communications satellite programs, television and radio. Our programs for navigation satellites will make travel by sea and air so much safer and surer. The American people have so much to gain in security and progress, through well managed space and science programs under the National Aeronautics and Space Agency; we should give this Agency the personnel to do an efficient and competent job.

Mr. BOW. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. HENDERSON].

Mr. HENDERSON. Mr. Speaker I rise in support of H.R. 7377. It was my privilege to serve on the subcommittee with the distinguished gentleman who have preceded me in urging the House to enact this bill.

Mr. Speaker, after long hours in the subcommittee we reported this bill to the full committee. It has the unanimous support of the committee. While the subcommittee in its recommendations to the full committee cut some of the requests from the various agencies, both the subcommittee and the full committee were satisfied that these cuts were justified and that perhaps some of the positions were not needed at this time; recognizing that the subcommittee would be back on the job in January. Specifically is that true in regard to the NASA request. We had evidence that about half or perhaps better than half of these requests were for promotional purposes and that it would take over a year for some of these positions to be filled. Consequently, we felt we were justified in reducing the requested amount from 135 to 65 at this time. Certainly, the action does not mean that this agency headed by a distinguished North Carolinian, the Honorable JAMES WEBB, will not be able to receive the additional spaces, if the experience of that agency justifies them to our subcommittee.

Mr. Speaker, I urge the House to enact H.R. 7377 and remind the House that the subcommittee has done its best in reducing what we thought were excessive requests from the various agencies.

Mr. BOW. Mr. Speaker, I yield myself such time as I may need.

May I say first, Mr. Speaker, in taking the time in opposition to this bill I recognize the fine work that has been done by the committee that has charge of this bill and the problems they have been faced with by various legislative committees bringing in supergrades and trying to get them into legislative bills, invading their jurisdiction. I do not think that should be done. I think it is the proper prerogative of that committee, and the language stating it specifically in the act is certainly good.

But, I recognize in this, Mr. Speaker, not an increase of new positions, but this is a pay raise, for practically everyone who will benefit by this legislation is on the payroll. And, I recognize, Mr. Speaker, that our spending budget this year has been $81 billion; that our spending budget for next year will be $88 billion. I recognize the fact that within perhaps the next 4 years we will be spending $100 billion a year, and we are going to get up to $114 billion by 1970. Just this last year we spent $9 billion in interest alone which, 21 years ago, paid for the entire cost of the Government of the United States. And, as someone has pointed out, we are spending today $1 million more every hour than we are taking in. We are going further in the red $24 million a day.

Mr. Speaker, in my opinion, this country cannot survive under those conditions. You cannot say that this missile program or national defense has caused the increase in spending. This year only one-fourth of the increase is going for national security, the rest for domestic programs. Now, we have to recognize this, Mr. Speaker, as an increase in pay for many of these people. I wonder that it has not been pointed out. I think we are also increasing salaries in the House of Representatives. I make haste to remark, not to Members. I understand that under this bill the staff members of the committees of the House may now be raised to $18,500 a year, which is a substantial increase in our own shop. And it seems to me that if there is any place where we ought to begin to cut down or keep the level and cut out increased spending it is right here. Certainly we have good people in these jobs now. We have been able to keep them. I do not believe this is a question of not being able to get good people in the positions, but this is a question of increasing the salaries of those we have.

Mr. JAMES C. DAVIS. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Georgia.

Mr. JAMES C. DAVIS. I would like to say to the gentleman in line with that observation that we took that into consideration that the NASA request for 135 was reduced to 65. We discussed that with them and they very frankly told us that a number of those included in the request were already in their employ. It would result in their getting an increase, but they were not going to go outside and get new people, so we took that into consideration.

Mr. BOW. May I ask the gentleman from Georgia, who knows so much more about this than I do, this question: How many of these people who will benefit by these increases are presently on the payroll?

Mr. JAMES C. DAVIS. There is a pretty substantial percentage of them.

Mr. BOW. Would it be around 70 or 75 percent?

Mr. JAMES C. DAVIS. No, the percentage would not be that high.

Mr. BOW. Perhaps in the supergrade positions practically all of them are now on the payroll.

Mr. JAMES C. DAVIS. Not practically all of them, but a large percentage of them.

Mr. BOW. But the new positions area would be in the scientific and professional positions. Am I right about that?

Mr. JAMES C. DAVIS. I believe approximately 70 percent of the supergrades are presently employed and probably 50 percent of the G–13 positions.

Mr. BOW. I thank the gentleman. I appreciate his observations, because he does know this bill and this subject, but I say to those who are in favor of this bill who generally make the same observations I am making, that when you bring a bill of this kind before the House it ought to be recognized that our Government is in debt to the tune of $290 billion, a debt, I say to my colleagues, of more than the combined debt of every other nation in the world combined. We are increasing the debt rather than holding it steady or reducing it. It is not a question of national security, this is a domestic program. I do hope that the Congress soon will find some way to hold the line and make some savings instead

of constantly increasing the cost of Government.

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

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

Mr. GROSS. We can stop this business, we can stop creating new agencies and spending so much on their operation.

Mr. BOW. Yes, we can also abolish some of these temporary agencies, for the most permanent thing in Washington today is a temporary agency. Probably some of these supergrades are going into the temporary agencies.

Mr. MURRAY. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. GEORGE P. MILLER].

Mr. GEORGE P. MILLER. Mr. Speaker, I will support H.R. 7377, although, frankly, I am not satisfied with some of the cuts that have been made in the supergrades.

I am particularly concerned with the National Aeronautics and Space Administration personnel. I deny that these are pay raises primarily for the people on the payroll at the present time. These raises are designed to attract new people and to hold in service competent people who have been trained and in whom the Government has a great investment. These Government scientists and technicians are attracted by private industry and by the contractors for the Government in this field. When we enter into a contract with one of these private operations for the development of a particular vehicle or some other facet of the space program, we pay the salaries. Therefore, we are the losers when such employees are attracted to better-paying jobs in private industry. Men who are competent in the specialized field which NASA offers have every opportunity to leave Federal service and to receive new employment and, I might say, very lucrative employment elsewhere.

Since May 25 this Congress has added $662 million to the budget of NASA to proceed with its present program. Are we going to spend this money with people who are not capable, or who are inefficient in handling it, or are we going to get the best people we can to administer this program?

The Administrator of NASA told me the other day that a man would come with the Government for around $21,000 a year who can make twice that much on the outside. There are dozens of companies that will pay that money.

I am conscious of the fact that some time ago I recommended a young girl for a job in the Bureau of Standards. She was just completing college and had gone through school on scholarships, graduating very high as a physicist. I do not know what her salary was then or is now. I related this story to the executive vice president of one of the biggest air corporations in this country, and as I left he said:

> Mr. MILLER, you were telling me about this girl who went to work for the Bureau of Standards. I will give her $50 more a month than she is receiving from the Federal agency.

I said:

> How do you know what she is worth? How can you say you will give her more money?

He said:

> I do not care about that. Whatever she is worth to the Bureau of Standards she is worth $50 a month more to me.

That is how you lose trained technical people. I merely make these remarks to lay a foundation for the future.

Mr. MURRAY. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Speaker, I am supporting H.R. 7377 for the reason basically there are great needs for these positions. I supported the gentleman from Georgia [Mr. JAMES C. DAVIS], last week in opposition to allowing 40 supergrade positions in the Peace Corps because of the fact this bill was coming up for consideration. Regardless of the Peace Corps needs, there is no reason for giving them more than they actually should have. This bill provides positions for them.

Mr. Speaker, in the Civil Service Commission pool we have 370 supergrade positions. If an agency needs more than what is provided for in this bill, it may go to the Commission and ask for additional positions in the supergrade position.

Mr. Speaker, I therefore suggest that this bill be supported because it offers an orderly procedure for increasing the number of supergrades in the Federal Government without any chance of their hiring too many.

Referring to what the gentleman from Ohio [Mr. BOW], said, this will save the Government money for if not passed the Government will have to contract to private companies projects that charge exorbitant prices for similar work done because of overhead and cost-plus allowances.

This bill may cost money but it actually saves money.

The following are the positions and salary ranges provided in the bill:

| | *Number* |
|---|---|
| Supergrade positions 16, 17, and 18, $15,255 to $18,500: | |
| Civil Service Commission pool | 370 |
| Department of Defense | 40 |
| Federal Home Loan Bank Board | 4 |
| Total | 414 |
| Scientific and professional positions, $12,500 to $19,000: | |
| Agriculture | 5 |
| Commerce | 5 |
| Defense | 85 |
| Federal Aviation Agency | 15 |
| Health, Education, and Welfare | 3 |
| Interior | 3 |
| National Security Agency | 30 |
| National Aeronautics and Space Administration | 65 |
| Post Office | 3 |
| Total | 214 |
| Postal field service positions: | |
| Post Office Department | 40 |
| Total | 668 |
| U.S. Arms Control Agency | 30 |
| Grand total | 698 |

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill (H.R. 7377), as amended?

The question was taken.

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

The SPEAKER pro tempore. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 305, nays 53, not voting 77, as follows:

[Roll No. 214]

YEAS—305

| | | |
|---|---|---|
| Abbitt | Dwyer | Kirwan |
| Adair | Edmondson | Kitchin |
| Addabbo | Elliott | Knox |
| Addonizio | Ellsworth | Kornegay |
| Albert | Everett | Kowalski |
| Alexander | Evins | Kunkel |
| Alger | Fallon | Landrum |
| Andersen, Minn. | Farbstein | Lane |
| Anderson, Ill. | Fascell | Langen |
| Andrews | Feighan | Lankford |
| Ashley | Fenton | Lennon |
| Aspinall | Findley | Lesinski |
| Auchincloss | Finnegan | Libonati |
| Avery | Fino | Lindsay |
| Bailey | Flood | Lipscomb |
| Baldwin | Flynt | Loser |
| Baring | Fogarty | McCormack |
| Barrett | Forrester | McDowell |
| Barry | Fountain | McFall |
| Bass, N.H. | Frelinghuysen | McIntire |
| Bates | Friedel | McMillan |
| Battin | Fulton | Macdonald |
| Becker | Gallagher | MacGregor |
| Beckworth | Garland | Mack |
| Bennett, Fla. | Garmatz | Madden |
| Bennett, Mich. | Gavin | Magnuson |
| Blatnik | Giaimo | Mahon |
| Blitch | Gilbert | Mailliard |
| Boland | Glenn | Martin, Mass. |
| Bolling | Goodling | Mathias |
| Bolton | Granahan | May |
| Bonner | Grant | Meader |
| Brademas | Gray | Merrow |
| Bray | Green, Oreg. | Miller, Clem |
| Breeding | Green, Pa. | Miller, George P. |
| Brewster | Griffin | Miller, N.Y. |
| Bromwell | Griffiths | Milliken |
| Broomfield | Gross | Mills |
| Broyhill | Gubser | Moeller |
| Burke, Ky. | Hagan, Ga. | Monagan |
| Burke, Mass. | Hagen, Calif. | Montoya |
| Burleson | Halleck | Moorhead, Pa. |
| Byrne, Pa. | Halpern | Morgan |
| Cahill | Hansen | Morris |
| Cannon | Harding | Morse |
| Cederberg | Hardy | Moss |
| Celler | Harris | Murphy |
| Chamberlain | Harvey, Ind. | Murray |
| Chelf | Harvey, Mich. | Natcher |
| Chenoweth | Hays | Nix |
| Clark | Healey | Norblad |
| Coad | Hechler | Nygaard |
| Cohelan | Hemphill | O'Brien, Ill. |
| Collier | Henderson | O'Brien, N.Y. |
| Conte | Herlong | O'Hara, Ill. |
| Cook | Hoffman, Ill. | O'Hara, Mich. |
| Corbett | Holifield | O'Konski |
| Corman | Holland | Olsen |
| Cramer | Hosmer | O'Neill |
| Curtin | Huddleston | Ostertag |
| Curtis, Mass. | Hull | Patman |
| Curtis, Mo. | Ichord, Mo. | Perkins |
| Daniels | Ikard, Tex. | Peterson |
| Davis, James C. | Inouye | Philbin |
| Davis, John W. | Jarman | Pike |
| Davis, Tenn. | Jennings | Poff |
| Dawson | Joelson | Price |
| Delaney | Johansen | Pucinski |
| Dent | Johnson, Md. | Quie |
| Denton | Jones, Ala. | Randall |
| Derounian | Judd | Ray |
| Diggs | Karsten | Reifel |
| Dingell | Karth | Rhodes, Pa. |
| Dominick | Kastenmeier | Riehlman |
| Donohue | Keith | Riley |
| Downing | Kelly | Rivers, Alaska |
| Doyle | Keogh | Rivers, S.C. |
| Dulski | Kilday | Roberts |
| Durno | Kilgore | Robison |
| | King, Calif. | Rodino |
| | King, Utah | |

| | | |
|---|---|---|
| Rogers, Colo. | Shriver | Tollefson |
| Rogers, Fla. | Sibal | Trimble |
| Rooney | Sikes | Tuck |
| Rostenkowski | Sisk | Tupper |
| Roudebush | Smith, Calif. | Udall, Morris K. |
| Roush | Smith, Iowa | Ullman |
| Rutherford | Smith, Miss. | Vanik |
| Ryan | Spence | Van Pelt |
| St. Germain | Springer | Van Zandt |
| Santangelo | Stafford | Wallhauser |
| Saylor | Staggers | Watts |
| Schadeberg | Steed | Weis |
| Scherer | Stephens | Whalley |
| Schneebeli | Stratton | Wharton |
| Schweiker | Stubblefield | Whitener |
| Schwengel | Sullivan | Wickersham |
| Scott | Taylor | Widnall |
| Scranton | Teague, Tex. | Willis |
| Seely-Brown | Thompson, N.J. | Wilson, Calif. |
| Selden | Thomson, Wis. | Yates |
| Sheppard | Thornberry | Zablocki |
| Shipley | Toll | |

NAYS—53

| | | |
|---|---|---|
| Abernethy | Harsha | Nelsen |
| Alford | Hiestand | Passman |
| Ashbrook | Hoffman, Mich. | Pillion |
| Ashmore | Horan | Poage |
| Beermann | Jensen | Reece |
| Betts | Jonas | Rhodes, Ariz. |
| Bow | King, N.Y. | Rousselot |
| Brown | Kyl | Schenck |
| Bruce | Latta | Short |
| Clancy | McCulloch | Smith, Va. |
| Cunningham | McVey | Taber |
| Devine | Marshall | Utt |
| Dole | Matthews | Williams |
| Dorn | Michel | Wilson, Ind. |
| Fisher | Minshall | Winstead |
| Gary | Moore | Wright |
| Gathings | Moorehead, Ohio | |
| Haley | | |
| Harrison, Wyo. | Mosher | |

NOT VOTING—77

| | | |
|---|---|---|
| Anfuso | Goodell | Pirnie |
| Arends | Hall | Powell |
| Ayres | Harrison, Va. | Rabaut |
| Baker | Hébert | Rains |
| Bass, Tenn. | Hoeven | Reuss |
| Belcher | Holtzman | Rogers, Tex. |
| Bell | Johnson, Calif. | Roosevelt |
| Berry | Johnson, Wis. | St. George |
| Boggs | Jones, Mo. | Saund |
| Boykin | Kearns | Shelley |
| Brooks | Kee | Siler |
| Buckley | Kilburn | Slack |
| Byrnes, Wis. | Kluczynski | Teague, Calif. |
| Carey | Laird | Thomas |
| Casey | McDonough | Thompson, La. |
| Chiperfield | McSween | Thompson, Tex. |
| Church | Martin, Nebr. | Vinson |
| Colmer | Mason | Walter |
| Cooley | Morrison | Weaver |
| Daddario | Moulder | Westland |
| Dague | Multer | Whitten |
| Derwinski | Norrell | Young |
| Dooley | Osmers | Younger |
| Dowdy | Pelly | Zelenko |
| Ford | Pfost | |
| Frazier | Pilcher | |

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

The Clerk announced the following pairs:

On this vote:

Mr. Hébert and Mr. Buckley for, with Mr. Berry against.

Mr. Roosevelt and Mr. Shelley for, with Mr. Hall against.

Mr. Powell and Mr. Anfuso for, with Mr. Martin of Nebraska against.

Mr. Morrison and Mr. Multer for, with Mr. Harrison of Virginia against.

Mr. Boggs and Mr. Holtzman for, with Mr. Dowdy against.

Mr. Rains and Mr. Zelenko for, with Mr. Kilburn against.

Until further notice:

Mr. Rogers of Texas with Mrs. St. George.

Mr. Rabaut with Mr. Hoeven.

Mr. Whitten with Mr. Kearns.

Mr. Colmer with Mr. Arends.

Mr. Daddario with Mr. Ayres.

Mr. Brooks with Mr. Siler.

Mr. Johnson of California with Mr. Ford.

Mr. Thompson of Texas with Mr. Osmers.

Mr. Moulder with Mr. Mason.

Mr. Johnson of Wisconsin with Mr. Laird.

Mr. Thompson of Louisiana with Mr. Goodell.

Mr. Frazier with Mr. Baker.

Mr. Cooley with Mr. Byrnes of Wisconsin.

Mrs. Norrell with Mr. Teague of California.

Mr. Pilcher with Mr. Westland.

Mr. Slack with Mr. Derwinski.

Mr. Kluczynski with Mrs. Church.

Mr. Carey with Mr. Chiperfield.

Mr. Casey with Mr. Dooley.

Mr. Bass of Tennessee with Mr. Pelly.

Mr. Reuss with Mr. Belcher.

Mrs. Pfost with Mr. Pirnie.

Mr. Thomas with Mr. Weaver.

Mr. Young with Mr. Bell.

Mr. Walter with Mr. Younger.

Mr. Saund with Mr. McDonough.

Mr. GARY and Mr. BEERMAN changed their votes from "yea" to "nay."

The title was amended so as to read: "A bill to increase the limitation on the number of positions which may be placed in the top grades of the Classification Act of 1949, as amended, and on the number of research and development positions of scientists and engineers for which special rates of pay are authorized, and for other purposes."

A motion to reconsider was laid on the table.

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## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 49. Concurrent resolution expressing regret on the death of Dag Hammarskjold, Secretary General of the United Nations.

The message also announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 1333. An act for the relief of A. N. Deringer, Inc.;

H.R. 1507. An act for the relief of Capt. Jacob Haberle;

H.R. 2179. An act for the relief of Essie V. Johnson;

H.R. 2334. An act for the relief of Washington George Brodber Bryan;

H.R. 2615. An act for the relief of Doctor Victor Wang Ta Ng and his wife, Alice Siu Har Ng;

H.R. 2666. An act for the relief of Adelina Benedict (nee Rosasco);

H.R. 3007. An act for the relief of Alberto Luciano (Rocchi) Rosasco;

H.R. 3132. An act for the relief of Lucille Collins;

H.R. 3401. An act for the relief of Salvatore Cairo;

H.R. 4028. An act for the relief of Lennon May;

H.R. 4484. An act for the relief of Miss Liu Lai Ching;

H.R. 4917. An act for the relief of Albany County, N.Y.;

H.R. 5534. An act for the relief of Mrs. Helena Sullivan;

H.R. 5343. An act to amend section 5021 of title 18, United States Code;

H.R. 5613. An act for the relief of Fernando Manni;

H.R. 5754. An act to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property as revised at Lisbon, Portugal, October 31, 1958;

H.R. 6729. An act to provide for the disposal of certain lands held for inclusion in the Cape Hatteras National Seashore Recreational Area, N.C., and for other purposes;

H.R. 6834. An act to amend section 35 of title 18, United States Code;

H.R. 7259. An act to waive section 142 of title 28, United States Code, with respect to the U.S. District Court for the Western District of Louisiana, Lafayette Division, holding court at Lafayette, La.;

H.R. 7358. An act to amend section 4126 of title 18, United States Code, with respect to compensation to prison inmates for injuries incurred in the course of employment;

H.R. 7873. An act for the relief of Mrs. Maria Gonzalez Fernandez Long;

H.R. 8236. An act to authorize the use of funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation;

H.R. 8341. An act to authorize the Secretary of the Interior to conduct a study covering the causes and prevention of injuries, health hazards, and other health and safety conditions in metal and nonmetallic mines (excluding coal and lignite mines);

H.R. 8490. An act to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure, as amended;

H.R. 8871. An act to amend the Federal Employees' Compensation Act of 1960;

H.R. 9030. An act to amend the act to promote the education of the blind, approved March 3, 1879, as amended, so as to authorize wider distribution of books and other special instruction materials for the blind, and to increase the appropriations authorized for this purpose, and to otherwise improve such act;

H.R. 9080. An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to construct, maintain, and operate branch sidings over First Street SW. in the District of Columbia;

H.J. Res. 358. Joint resolution authorizing the President to issue annually a proclamation designating the third week in March as National Poison Prevention Week, in order to aid in bringing to the American people the dangers of accidental poisoning.

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

H.R. 5968. An act to amend the District of Columbia Unemployment Compensation Act, as amended.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 336. An act to make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4998) entitled "An act to assist in expanding and improving community facilities and services for the health care of aged and other persons, and for other purposes."

## PERSONAL EXPLANATION

Mr. BRADEMAS. Mr. Speaker, I was unavoidably absent on August 28, 1961, during three rollcalls.

The first rollcall was on the engrossment and third reading of H.R. 8181, a bill to authorize construction of a National Fisheries Center and Aquarium in the District of Columbia. Had I been present, would have voted "aye."

The second rollcall was on final passage of H.R. 8181. Had I been present, I would have voted "aye."

The third rollcall was on H.R. 7176, a bill to authorize the Secretary of Agriculture to initiate a national hog cholera eradication program. Had I been present, I would have voted "aye."

## PERSONAL EXPLANATION

Mr. HARDING. Mr. Speaker, on rollcall No. 211 I am not recorded. I was unavoidably detained. Had I been present I would have voted "yea."

## PERSONAL EXPLANATION

Mr. MONAGAN. Mr. Speaker, I was unavoidably absent on rollcalls Nos. 210 and 211. I ask that the RECORD show that had I been present I would have voted "yea" on both.

## COMMITTEE SESSION DURING GENERAL DEBATE TOMORROW

Mr. CELLER. Mr. Speaker, I ask unanimous consent that the House Committee on the Judiciary may sit tomorrow afternoon during the session of the House.

The SPEAKER pro tempore. During general debate?

Mr. CELLER. Yes.

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

There was no objection.

## ANNEX FOR THE GOVERNMENT PRINTING OFFICE

Mr. JONES of Alabama. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3019) to provide for the construction of a fireproof annex building for use of the Government Printing Office, and for other purposes.

The Clerk read the bill as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That there is hereby authorized to be constructed in accordance with plans to be prepared by the Administrator of General Services and approved by the Public Printer, a fireproof annex building for use of the Government Printing Office, including the mechanical equipment for the building, connections with the present Government Printing Office buildings and utilities, interconnections with the Capitol Power Plant in accordance with plans to be approved by the Architect of the Capitol, access facilities over or under public streets, other necessary appurtenances or facilities, and such mechanical and other changes in the present Government Printing Office buildings as may be necessitated thereby.

SEC. 2. (a) To carry out the purposes of section 1 of this Act, the Administrator of General Services is authorized to acquire on behalf of the United States, by purchase, condemnation, donation, transfer without reimbursement, or otherwise, such publicly or privately owned real property in the District of Columbia (including streets and alleys or parts thereof) as may be located in the area extending west of the property line at the rear of the Government Printing Office Building Numbered 3, along H Street west of North Capitol Street to the alley connecting G and H Streets and south to Jackson Alley, including that portion of Jackson Alley adjacent to the proposed site bordered on the south by present Government Printing Office property and to the north by lots numbered 823, 824, 47, 48, 49, 68, 67, and including the "T" shaped public alley bounded by lots 64, 65, and 66 on the north, lot 67 on the east, Jackson Alley on the south and lot 68 on the west, in square numbered 624 in the District of Columbia.

(b) Any proceeding for condemnation ordered under subsection (a) shall be conducted in accordance with the pertinent provisions of the Act entitled "An Act to provide for the acquisition of land in the District of Columbia for use in the United States", approved March 1, 1929 (16 D.C. Code, secs. 619–644).

(c) The Administrator of General Services is authorized to provide for the demolition and removal as expeditiously as possible of any buildings or other structures on, or constituting a part of, such real property as may be acquired under, or made available for the purpose of this Act.

(d) The Administrator of General Services is authorized to cause the building herein provided for to be constructed pursuant to the applicable provisions of the Public Buildings Act of 1959 (73 Stat. 479), but without regard to the requirements of sections 7 and 8(a) thereof.

SEC. 3. There is hereby authorized to be appropriated to the Government Printing Office such sums as may be necessary to carry out the purposes of this Act, and such sums may be available for transfer to the Administrator of General Services to remain available until expended.

The SPEAKER pro tempore. Is a second demanded?

Mr. AUCHINCLOSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, H.R. 3019 was reported unanimously by the Committee on Public Works and in the opinion of the committee is needed legislation. It authorizes the construction of a much needed annex to the present Government Printing Office. The annex will be four stories and a basement and will be used primarily for paper storage. Its estimated cost is $5,750,000.

At the present time, the Government Printing Office uses a warehouse in Franconia, Va., which is located some 15 miles from Washington. As a result of the roof collapse of this warehouse, which the Government is renting at Franconia, back on April 15 last, some $55,000 worth of paper was destroyed and there was an extensive disruption in the production and delivery schedules.

The annual estimated cost of the proposed new building would be $41,800 compared with the present operating and rental expenses in the building now being used at Franconia, which amounts to $316,454. The construction of the new building would result in an annual economy of $274,654. At this rate, the cost of this new building will be written off in 20 years and 11 months.

The construction of this new building will result in a savings to the Federal Government, and will provide for a more efficient operation of the Government Printing Office. I urge its passage.

Mr. AUCHINCLOSS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this legislation was considered carefully by the Subcommittee on Public Buildings and Grounds of the Committee on Public Works. It was unanimously reported out and endorsed by both committees.

The SPEAKER pro tempore. The question is, Shall the House suspend the rules and pass the bill H.R. 3019?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## EXPANDING AND IMPROVING COMMUNITY FACILITIES AND SERVICES FOR THE HEALTH CARE OF AGED

Mr. HARRIS submitted a conference report and statement on the bill (H.R. 4998) to assist in expanding and improving community facilities and services for the health care of aged and other persons, and for other purposes.

## SUPPLEMENTAL AIR CARRIERS

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7318) to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes, as amended.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301) is amended by redesignating paragraphs (32) and (33) as (34) and (35), respectively, and by inserting immediately after paragraph (31) the following new paragraphs:

"(32) 'Supplemental air carrier' means an air carrier holding a certificate of public convenience and necessity authorizing it to engage in supplemental air transportation.

"(33) 'Supplemental air transportation' means charter trips in air transportation, other than the transportation of mail by aircraft, rendered pursuant to a certificate of public convenience and necessity issued pursuant to section 401(d)(3) of this Act to supplement the scheduled service authorized by certificates of public convenience and necessity issued pursuant to sections 401(d)(1) and (2) of this Act."

SEC. 2. Subsection (d) of section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)) is amended by adding at the end thereof the following new paragraph:

"(3) In the case of an application for a certificate to engage in supplemental air transportation, the Board may issue a certificate, to any applicant not holding a certificate under paragraph (1) or (2) of this subsection, authorizing the whole or any part thereof for such periods as may be required by the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform the transportation covered by the application

and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder. Any certificate issued pursuant to this paragraph shall contain such limitations as the Board shall find necessary to assure that the service rendered pursuant thereto will be limited to supplemental air transportation as defined in this Act."

SEC. 3. Subsection (e) of section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371(e)) 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 designate the terminal and intermediate points only insofar as the Board shall deem practicable and otherwise shall 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) 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 trips or any other special service, without regard to the points named in its certificate, under regulations prescribed by the Board."

SEC. 4. Title IV of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section:

"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 air carrier a special operating authorization to engage in air transportation between such points.

*"Terms of authorization*

"(b) A special operating authorization issued under this section—

"(1) shall 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 otherwise would exist, without significant diversion of traffic from the holders of certificates for the route;

(2) shall be valid for not more than thirty days and may be extended for additional periods aggregating not more than sixty days; and

"(3) shall not be deemed a license within the meaning of section 9(b) of the Administrative Procedure Act (5 U.S.C. 1008(b)).

*"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. 5. (a) If any applicant who makes application under section 401(d)(3) of the Federal Aviation Act of 1958 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 under 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, during the period beginning on the date such certificate was issued or such interim operating authority was conferred by the Board and ending on the date of enactment of this Act, such applicant or his predecessor in interest lawfully performed (A) a substantial portion of the transportation authorized by such certificate or interim operating authority, (B) substantial operations in overseas or foreign air transportation, as a supplemental or large irregular air carrier, authorized by the Board, or (C) substantial operations for the Military Establishment of the United States authorized by the Board;

(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 on or before the date of enactment of this Act, 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 to the applicant with Board approval pursuant to section 401(h) of the Federal Aviation Act of 1958: *Provided*, That application under this section may also be made by a person who on the date of enactment of this Act had on file with the Board an application for the approval of transfer to him of a certificate for supplemental air transportation or interim operating authority, in which case the Board shall issue to such person a new interim certificate or new interim operating authority under this section if it approves the transfer pursuant to section 401(h) of the Federal Aviation Act of 1958;

the Board, upon proof of such facts, shall issue a new interim certificate or 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, or both, and subject to the terms, conditions, and limitations attached thereto, pending issuance or denial of a certificate pursuant to section 401(d)(3) of the Federal Aviation Act of 1958 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 of 1958 for a certificate for supplemental air transportation within thirty days after the date of enactment of this Act shall show that it or its predecessor has received interim operating authority from the Civil Aeronautics Board pursuant to paragraph (2) of the first section 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 the Federal Aviation Act of 1958 authorizing the whole or any part of the transportation covered by the application.

(c) A new interim certificate or new interim authority issued under this section shall not be deemed a license within the meaning of section 9(b) of the Administrative Procedure Act (5 U.S.C. 1008(b)).

SEC. 6. (a) If any air carrier, or its predecessor in interest, was an air carrier authorized to furnish service between places within the United States 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 paragraph (2) of the first section 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 of 1958 within said thirty days, until the Board has granted or denied a new interim certificate or new interim authority under section 5 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 the 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 this Act, and if it has filed application pursuant to section 401(d)(3) of the Federal Aviation Act of 1958 within said thirty days, until the Board has granted or denied a new interim certifi-

cate or new interim authority under section 5 of this Act.

(b) 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 paragraph (2) of the first section 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 a new interim certificate or new interim authority under section 5 of this Act, or if the carrier files no application under section 401 (d)(3) of the Federal Aviation Act of 1958 within thirty days from the date of enactment of this Act, at the end of said thirty-day period.

(c) Any air 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 otherwise would terminate such operating authority, is hereby authorized to continue to operate, subject to the 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 the judicial review proceeding of such Board order, whichever shall first occur.

SEC. 7. The provisions of this Act shall in no way affect the authority of the Board—

(1) to maintain any enforcement or compliance proceeding or action against the holder of a certificate of public convenience and necessity issued pursuant to Board order E-13436 of January 28, 1959, or Board order E-14196 of July 8, 1959, or against the holder of any interim operating authority conferred by the Board under paragraph (2) of the first section of Public Law 86-661 or under Board order E-9744 of November 15, 1955, which proceeding or action is pending before the Board on the date of enactment of this Act; or

(2) to institute, on or after the date of enactment of this Act, any enforcement or compliance proceeding or action against the holder of any certificate or interim operating authority referred to in paragraph (1) of this section with respect to any violation of—

(A) the Federal Aviation Act of 1958,

(B) the provisions of such certificate,

(C) the terms of such operating authority, or

(D) the regulations of the Board,

without regard to when such violation occurred.

Any sanction which the Board lawfully could have imposed on the operating authority of the holder of any certificate or interim operating authority referred to in paragraph (1) of this section for any violation referred to in paragraph (2) of this section, which violation occurred prior to the issuance to such holder of a new interim certificate or new interim authority under section 5 of this Act or the issuance to such holder of a certificate of public convenience and necessity to engage in supplemental air transportation under paragraph (3) of section 401(d) of the Federal Aviation Act of 1958, may be imposed on the certificate or other operating authority issued to such holder under section 5 of this Act or under paragraph (3) of section 401(d) of the Federal Aviation Act of 1958.

SEC. 8. Any application of an air carrier heretofore consolidated into the Board proceeding known as the Large Irregular Air Carrier Investigation, Docket Numbered 5132 and others, shall be deemed to have been finally disposed of upon the date of enactment of this Act.

SEC. 9. Section 901(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)) is amended to read as follows:

*"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 titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, or by the Board in the case of violations of titles 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, or by 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. 10. Section 902(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(a)) is amended to read as follows:

*"General*

"SEC. 902. (a) Any person who knowingly and willfully violates any provision of this Act (except titles III, V, VI, VII, and XII), or any order, rule, or regulation issued under any such provision or any term, condition, or limitation of any certificate or permit issued under title IV, for which no penalty is otherwise provided in this section, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject for the first offense to a fine of not more than $500, and for any subsequent offense to a fine of not more than $2,000. If such violation is a continuing one, each day of such violation shall constitute a separate offense."

SEC. 11. (a) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "TITLE IV—AIR CARRIER ECONOMIC REGULATION" is amended by adding at the end thereof the following:

"SEC 417. Special operating authorizations.
"(a) Authority of Board to issue.
"(b) Terms of authorization.
"(c) Procedure."

(b) That portion of such table of contents which appears under the heading "SEC. 901. Civil penalties." is amended by striking out "(a) Safety and postal offenses." and inserting in lieu thereof "(a) Safety, economic, and postal offenses."

The SPEAKER pro tempore. Is a second demanded?

Mr. COLLIER. Mr. Speaker, I demand a second.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

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

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this legislation is referred to in what is commonly known to so many Members of the House and others interested in the problem as the supplemental air carrier bill. This legislation will keep the supplemental air carrier industry in business. This is a matter that has caused a great deal of concern for some time.

It may be remembered that in the last Congress we passed a stopgap bill to permit the continued operation of the supplemental air carriers for 20 months in order that there might be sufficient time to conduct hearings and make a thorough study of the problem, and arrive at an adequate solution.

Everyone recognizes the fact that the common carrier system of this Nation is very important and that we must continue our common carrier system on a sound basis. The public demands this. It is recognized that in the field of aviation, supplemental service in certain fields is very necessary.

The Committee on Interstate and Foreign Commerce has held extensive hearings into this subject and recommends to you a bill that we believe meets this problem and comes as near resolving the issue between the parties involved as we could expect or hope to arrive at.

Under this reported bill, Mr. Speaker, the Civil Aeronautics Board is authorized to issue certificates to supplemental air carriers to conduct, first, charter operations. Second, the Board would be authorized to permit carriers to furnish individual ticketed services on a temporary basis in order to meet certain situations where additional air transportation is needed such as is required for holiday seasons or resort transportation and similar cases.

Mr. Speaker, the witnesses that came before the committee and who were heard favored the continuation of the supplemental airlines. This seems to be rather unanimous.

H.R. 7318 was introduced, Mr. Speaker, at the request of the Civil Aeronautics Board. After the Subcommittee on Transportation and Aeronautics held hearings, the committee—and I think appropriately so—thought that the recommendations of the Board were a little too broad. Consequently, the bill was rewritten, and it is a substitute bill that we are presenting to you today. We feel the substitute bill more adequately establishes a program that will give true supplemental airline service. Still it provides restrictions that will protect regular scheduled airline service and the general public.

Mr. Speaker, we bring this bill to you from the Committee on Interstate and Foreign Commerce and commend it to the membership of the House.

Mr. Speaker, I urge the adoption of the bill.

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

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

Mr. SHEPPARD. I have not had a chance to read the hearings, of course, but I would like to ask the distinguished chairman what particular language involved in the bill gives to the CAB authorization beyond what they have to grant freight carriers opportunities to function in the competitive field against the so-called scheduled people?

Mr. HARRIS. This legislation does not deal with that subject. This deals with the supplemental air carriers as such. The gentleman from California is thinking about cargo carriers?

Mr. SHEPPARD. Cargo carriers, and also carriers of military freight, and so forth. It is a combination of operations in which at the present time they do not have the same operational prerogatives as the so-called scheduled lines have.

Mr. HARRIS. This does not deal with the cargo carriers at all.

Mr. SHEPPARD. This has no influence in that field?

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

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

Mr. WILLIAMS. May I say to the gentleman from California [Mr. SHEPPARD] that in regard to the cargo carriers there was an amendment which was offered and accepted in the other body which would authorize the CAB to issue supplemental air carrier certificates to cargo carriers. However, our committee had not considered that. The matter had not been presented to us and, therefore, our committee did not deal with the problem.

Mr. SHEPPARD. May the gentleman from California assume from the gentleman's response that in conference with the Senate that item might be a component part of the conference?

Mr. WILLIAMS. Of course, it would be an issue to be considered in conference because the language is in the bill passed by the other body. But it is not in our bill.

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent to revise and extend my remarks made on the bill H.R. 3019.

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

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi, the chairman of the subcommittee [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, enactment of this legislation is needed to stabilize the supplemental air carrier industry, which has been existing in a state of uncertainty for many years.

In 1955, the Civil Aeronautics Board attempted to give supplemental carriers legal status by exempting them from the certification requirements of the law but this procedure was knocked down by the courts.

In 1959, with two members dissenting, the Board granted temporary certificates to 25 supplemental carriers, authorizing unlimited planeload charter service, plus authority to conduct not more than 10 flights a month between any single pair of points carrying individually ticketed passengers or individually waybilled property.

This decision was challenged in the U.S. Court of Appeals for the District of Columbia, which, on April 7, 1960, found that the Board's action was illegal in that terminal and intermediate points were not specified, that the limitations were in violation of the act, and that findings as to fitness were inadequate.

The Board then came to Congress for authority to issue limited supplemental certificates. After considering a draft bill submitted by the Board, the Committee on Interstate and Foreign Commerce last year decided that time remaining in the session would not permit a thorough study of the problem and recommended stopgap legislation to protect the rights of these carriers to operate until Congress could consider permanent legislation.

Subsequently Congress did enact stopgap legislation, which expires March 14, 1962. That was Public Law 86-661.

The bill we bring to the House today is permanent legislation. The reported bill would:

First. Permit the Civil Aeronautics Board to issue the supplemental carriers certificates to conduct charter operations.

Second. Permit the Board to authorize the supplementals to provide individually ticketed service on a temporary basis in situations where additional air transportation is needed. These situations, for example, would include holiday and vacation travel, and such things as transportation to summer resorts or vacation spots where transportation facilities are deficient.

Third. The Board could expedite procedures in the issuance of these special operating permits, so that temporary or unexpected needs for air transportation could be provided without undue delay.

Fourth. Grant interim operating authority in the nature of grandfather rights to permit operations to continue until the Board can pass upon applications for new certificates.

Fifth. Give the Board additional authority to enforce its economic regulations.

Witnesses who testified in the hearings agreed that there is a need for supplemental service. The only question in disagreement was whether the supplemental should be authorized to carry individually ticketed passengers or individually waybilled property.

The supplementals insisted that such authority is necessary if they are to survive. The scheduled industry opposed the Board's request for authority to permit such service without specifying the terminal and intermediate points to be served, on the grounds that such operations are diverting traffic from the scheduled carriers, whose earnings have reached almost the vanishing point.

It is believed that the special operating authority which the Board would be authorized to grant under the terms of the substitute bill would permit the supplementals to provide the supplemental service needed without injury to the scheduled carriers, who have the responsibility of providing service to meet the public convenience and necessity in good season and bad.

The supplemental carriers provide essential service for the Department of Defense.

During the Berlin airlift, with only 5 percent of the Nation's civil air transport capacity, these carriers moved approximately 25 percent of the passengers and 57 percent of the cargo carried by civilian aircraft.

In 1950 the supplementals supported the Korean airlift by supplying over half the commercial capability requested by the military.

The supplementals flew the first planes to Vienna in 1956 to provide airlift for the Hungarian refugees.

In the Lebanon crisis the supplementals offered the military 38 four-engine aircraft within 4 hours.

In a letter to the committee, the Department of the Air Force stated:

> The continued existence of the irregular air carrier fleet is of real value in terms of national defense, and it is evident that the future ability of the irregular air carriers to service the military, as they are doing now and have done so ably in the past, depends upon their ability to operate their planes in commercial activities when not engaged in service for the military. In this regard, the current (April 1, 1961) allocation of aircraft to the Civil Reserve Air Fleet (CRAF) program shows that there are 8 supplemental air carriers participating in this program, which now includes 22 air carriers.

In a letter to the chairman of the committee dated June 19, 1961, the Under Secretary of Commerce stated:

> Of a total of 212 aircraft allocated by the Department's Defense Air Transportation Administration to the basic CRAF program, 40 have been allocated from supplemental air carrier inventories. In addition, the aircraft remaining in such air carrier inventories after CRAF requirements have been met (approximately 123 in number) are subject to DATA's allocation authority for purposes of DOD domestic wartime requirements, such as the Navy's quicktrans and the Air Force's logair operations, and for the needs of the civil economy under the war air service pattern program.

In December 1955 the Civil Aeronautics Board characterized the supplementals as "a reserve air fleet capable of being called into action to meet emergency transportation needs with a minimum amount of notice."

The legislation under consideration is needed to stabilize this important segment of the air transportation industry.

This legislation is needed to permit the industry to make plans for future operations and to complete financial arrangements for the purchase of modern equipment requiring amortization over a period of years.

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

Mr. WILLIAMS. I yield to the gentleman from Nevada.

Mr. BARING. Section 6(c) of the bill provides that supplemental carriers operating under judicial stays may continue to operate until the court lifts the

stay or until final disposition of the judicial review proceeding, whichever first occurs. If such a carrier is successful in the review proceeding and the court remands its case to the Board for further hearings, would this carrier have to stop operating even though it had won its appeal?

Mr. WILLIAMS. The answer is "No." If the court should remand this case to the Board for further proceedings, the carrier could continue to operate until the Board decided the case.

Section 6(c) affects four carriers given authority to perform supplemental service by order E-9744, in which the Board sought to exempt the supplementals from the certification provisions of the act. These carriers have no applications for certificates pending before the Board because their operating authority under the exemption order was terminated specifically by the Board in order E-13436. These carriers appealed the Board's order denying a certificate and revoking their exemption authority to the courts and now are operating under a judicial stay pending review. Certiorari has been denied by the Supreme Court but a petition for reconsideration is pending. Carriers in this category are Central Air Transport, Inc., Curry Air Transport, Ltd., Great Lakes Airlines, Inc., and Trans-Alaskan Airlines. Section 6(c) provided that these carriers are authorized to continue to operate subject to all conditions contained in order E-9744 or imposed by the court until the court shall lift its stay or until final disposition of the judicial proceeding.

Mr. BARING. I thank the gentleman.

Mr. COLLIER. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, as the chairman has stated, this bill was passed unanimously by the Committee on Interstate and Foreign Commerce and represents, I am sure, what the House committee believes is essential to be the proper regulation of the supplemental air carriers in the field of commercial aviation.

Because the U.S. Court of Appeals of the District of Columbia in its ruling of April 7, 1960, stated that the Civil Aeronautics Board had exceeded its authority in granting certain supplemental certificates, it became necessary for this Congress to provide the ground rules, so to speak.

It must be stated, however, that all of us recognize that there is a positive role for the supplemental airlines in the field of commercial aviation. At the same time, we also realize that this role should be limited to providing service which the scheduled carriers cannot adequately provide because of the nature of this regulated industry. In any case, supplemental air transportation, looking at the broad picture, should supplement, not replace, commercial service and the certificates granted should stand the test of public convenience and necessity. Obviously, when the supplemental carriers move into high density markets, they are not serving the purpose for which they were originally created and certificated.

Basically, the prime service for supplemental carriers is that of charter service. Within the limits of additional service, it seems only proper that the supplementals operate where there is a deficiency of service offered by the regularly scheduled lines, particularly in peak seasons. This legislation will meet this requirement. In fact, it specifically provides that the CAB may grant individually ticketed authority where public convenience and necessity can be established.

But the continuation of individually ticketed authority for supplementals as it has been conducted in the past involves the perpetuation of unsound regulatory principles. I submit that the Committee on Interstate and Foreign Commerce recognized this fact in bringing this legislation before the House today.

I believe this is sound and essential legislation—legislation which will have a very favorable long-range impact upon the business of commercial aviation in this country. I am pleased that while it is late in this already overextended session of Congress, this bill comes up for action by the House today. It is my hope that the long hours of work by the subcommittee and the full Committee on Interstate and Foreign Commerce in proposing this legislation will receive the unanimous endorsement of the membership of this House.

Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. ROUSSELOT].

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

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

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, this bill provides for the continuance of supplemental air carriers. There are many important aspects to the bill H.R. 7318, some of which reach into my own district and I do not feel should go unnoticed by the membership of the House.

Mr. Speaker, I have no criticism of the committee. The committee has done an excellent job in tightening up what I feel have been very loose restrictions on some of the supplemental air carriers that operate in this country. I do feel, however, that the committee has not gone far enough in demanding that the Civil Aeronautics Board be required to see that the supplemental air carriers act responsibly in the field of air safety and in their financial operations.

It so happens, Mr. Speaker, that there were two young men from my district who were members of the football team, Cal-Poly, a college in California, that were involved in a crash at Toledo, Ohio, on one of these supplemental air carriers. As was brought out in the CAB hearings, it was because very slipshod safety requirements existed that this plane went down. In a recent air disaster in Shannon, Ireland, another one of these supplemental air carriers crashed. It cannot be determined if this was the result of faulty operational procedure because the full reports of the CAB are not yet complete. However, as the House committee report, which we have here before us, indicates on page 12:

> The so-called certificates issued by the Civil Aeronautics Board to the supplementals were illegal. This illegality was not a mere technical infraction of the act. It was fundamental.

The Government shares the responsibility for these disasters, according to that language.

The point I wish to make, Mr. Speaker, is this. I do not believe this legislation goes far enough in making sure that the Civil Aeronautics Board and the FAA are required to demand adequate financial responsibility of these supplemental air carriers. I ask the Members of the Congress to read very carefully the material I am inserting in the body of the RECORD today which items fully document and very carefully point out the tremendous weaknesses that exist in the supplemental air carriers' ability to properly serve the public interest. I personally believe, that in some instances these classes of carriers operate in collusion. If I had my way, this bill would go back to committee for further study. I encourage the Members of this House to very carefully review what I feel has been an irresponsible approach to the financial capability of these air carriers. Now that does not imply that I oppose small business operators in the field of air traffic, in fact I favor small air carriers. They fulfill a needed service. But we must be sure that groups who charter these flights can be assured of safe passage. This opinion was concurred in in the case of United Air Lines versus Civil Aeronautics Board in a decision of the United States Court of Appeals handed down on April 7, 1960. I have inserted that particular court decision in the RECORD today.

Further, I do not believe we should run headlong into a situation where we in effect are giving these supplemental airlines what are commonly known as grandfather rights without assurance that the CAB will take a hard look at the financial responsibility of these carriers prior to granting such rights. I would now like to ask the gentleman from Arkansas, the chairman of the committee, if he is convinced that under this legislation, as it is now drawn, that the CAB is required to insure the financial responsibility of these supplemental air carriers.

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

Mr. ROUSSELOT. I yield to the gentleman from Arkansas.

Mr. HARRIS. First, let me say I share the views of the gentleman as to the requirement for these and any other airlines that are operating and providing service to the public, to operate in safety and with safety to the public and also to be responsible for that operation. I might say to the gentleman, this bill does not, as such, provide grandfather rights in the operation. There are some 25 or so supplemental airlines that are in operation today that will be permitted to continue to operate until the CAB has sufficient time to analyze their case and process their application for supplemental carrier operations.

That includes the charter operation as well as the other service that is provided in this bill. Does the gentleman from Mississippi wish to comment on this?

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

Mr. ROUSSELOT. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I would like to say to the gentleman that of course the merits of his argument or the points that he has raised are quite obvious. It is not the intention or the purpose of the committee in reporting this legislation to give the Civil Aeronautics Board carte blanche authority to grant certificates in the absence of showings of fitness and financial responsibility. With respect to the safety of the operation, that is a matter that comes primarily under the jurisdiction of the Federal Aviation Agency, which Agency is charged with the duty of certificating aircraft, certificating airmen, and so forth. In the case of the Arctic-Pacific Airlines at Toledo, a very unfortunate accident which took the lives of the football team, the Federal Aviation Agency filed a complaint with the Civil Aeronautics Board that the plane was overloaded by about 2,000 pounds and took off in weather conditions near zero visibility. Now, the Board has, of course, investigated but has not made an accident report. Therefore we do not know what conclusion the Board reached with respect to the reasons for the accident. The Federal Aviation Agency had revoked the pilot's certificate of Capt. Donald Cheshire, charging eight instances of deliberate violations and the circumvention of six sections of the Civil Aeronautics regulations. But, the certificate remained valid under the Federal Aviation Act through appeal to the Civil Aeronautics Board which had not completed action on the appeal at the time for this tragic accident.

I would certainly think that in view of the court decision and in view of the statements that have been made in the House as to the legislative history of this legislation, the Civil Aeronautics Board would certainly give close attention to the fitness of these carriers to give safe operation and also as to their financial responsibility.

Mr. ROUSSELOT. I would like to ask the chairman of the committee another question: Is he convinced that this legislation will force both the FAA and the CAB to insure to a greater degree that no further occurrences of this kind will happen?

Mr. HARRIS. Mr. Speaker, if the gentleman will yield, I will say to the gentleman I cannot give him any assurance what the FAA is going to do. This bill places on the Board definite responsibilities in the issuance of certificates for supplemental air carriers. The law itself requires the Federal Aviation Agency to assume its responsibility to require safe operation, as safe as it is humanly possible to do.

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

Mr. ROUSSELOT. Yes.

Mr. WILLIAMS. With respect to the Arctic-Pacific Airline accident, where the plane was 2,000 pounds overloaded, and took off under weather conditions of near zero visibility, had that plane gone through to its destination without accident and had a report been made to the CAB of the conditions under which that plane took off, I am certain that the question of continuing their certificate would be a matter for consideration by the Civil Aeronautics Board.

Mr. ROUSSELOT. How often do these certificates have to come up for renewal under this bill?

Mr. WILLIAMS. That is a matter the committee leaves to the determination of the Board. On page 9 of the bill you will find in the language relating to the authority of the Board to issue a certificate for supplemental air transportation, the bill provides that the Board may authorize—"the whole or any part thereof for such periods as may be required by the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform the transportation covered by the application."

Does that answer the gentleman?

Mr. ROUSSELOT. I thank the gentleman. I only wish to comment that as I understand, about 85 percent of the revenue of these supplemental carriers comes from the military which pays them about $20 million a year for the transportation of troops in areas where regular airlines are not available. Since they are providing these services I feel there is a responsibility on the part of the Congress to make sure they operate responsibly.

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

Mr. COLLIER. Mr. Speaker, I yield the gentleman 1 additional minute in order to clarify one point. In this legislation the Congress does not spell out any rules of financial responsibility or even fitness. That is now embodied in the act as it now exists, and it would be almost impossible for our committee or this House, for that matter, to attempt to spell out or detail rules of financial responsibility in this field. This has been entrusted to the CAB, and I think properly so; and for that reason to attempt even to deal with this subject matter in this legislation would, of course, be out of the question.

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

Mr. ROUSSELOT. I yield.

Mr. WILLIAMS. With respect to the safety records of the supplemental carriers, I think it compares favorably with the safety record of our regular carriers. I would refer the gentleman to a letter signed by E. R. Quesada, Administrator of the Federal Aviation Agency, which appears at page 120 of the hearings. I read the letter:

FEDERAL AVIATION AGENCY,
*Washington, D.C., March 21, 1960.*

Mr. CLAYTON L. BURWELL,
*President, Independent Airlines Association, Washington, D.C.*

DEAR MR. BURWELL: I am impressed by the fine safety record made by your association's member airlines, and I am grateful for the reassurances such an outstanding record gives to the flying public.

You have set an enviable goal for the rest of the industry. Your achievement speaks well for rigid safety standards and careful adherence to the principles of air safety.

My congratulations for 5 years, 3½ million passengers, and 6 billion passenger-miles of safe flying.

Sincerely,

E. R. QUESADA,
*Administrator.*

Mr. ROUSSELOT. Mr. Speaker, I wish to have inserted in the RECORD at this point in today's proceedings material which I think every Member of this body should have a chance to review regarding H.R. 7318.

To quote from House Report No. 1171, 87th Congress, 1st session, relative to H.R. 7318:

Supplemental carriers on occasion have entered into illegal pooling arrangements to provide what amounts to scheduled service contrary to the intent of the Board. Board efforts to end such practices have been frustrated by protracted litigation. Judicial stays of Board orders have permitted the continuation of highly profitable, although palpably illegal, operations by some of the carriers.

These illegal pooling arrangements have resulted in a monopoly described in the following articles taken from the June 7–11, 1959, issue of the Los Angeles Examiner:

[From the Los Angeles Examiner, June 7, 1959]

THE STRANGE CASE OF THE SANTA CLAUS BANK—HIDDEN CHECKS FINANCE HUGE AIR OPERATIONS—U.S. AGENCY CHIEF HERE REVEALS HE WAS DUPED

(By Tom Devlin and Henry Sutherland)

When the little Sun Valley National Bank collapsed and was sold last December 1, it appeared just another routine case—with a $928,000 shortage, arrest of the cashier, and involvement of neighboring businessmen.

But inquiry by the Examiner has revealed a complex of interesting and unusual relationships extending all the way from this obscure bank in a San Fernando Valley suburb to the highest political levels in Washington.

While not illegal, these connections could trigger major explosions in national politics.

They unveil an entrenched favoritism for a select few.

They uncover a tightly organized monopoly of contracts for transportation of military personnel by nonscheduled airlines.

They reveal that resurrected World War II aircraft, some sold at surplus for ground use only for as little as $200, have become "flying cash registers" earning $200,000 and more yearly per single plane.

They disclose that two weary C–46 Curtiss Commandos have brought in more in a year for Col. George Gordon Moore, Jr., than his distinguished brother-in-law—Dwight D. Eisenhower—receives as President of the United States.

REACHES INTO MANY AGENCIES

Relationships reach into such agencies as the Small Business Administration, the Civil Aeronautics Board, the Military Establishment, and the United States Treasury.

They involve the office of the Comptroller General of the United States, which—incredibly—ordered a $3 million overseas trooplift contract given one of the men accused in the bank case 7 days after the case broke publicly.

Troubles of the Sun Valley National, the "Santa Claus bank," as it has been called, date from last November 19, when a reported "employee's tip" launched a complete audit by Federal bank examiners.

A comparatively young bank, located at 8125 San Fernando Road, Sun Valley Na-

tional had appeared to prosper since opening for business June 6, 1952, with an authorized capital of $200,000.

But bank examiners, aided by FBI auditors, found all far from well.

They found some 3,000 checks totaling approximately $928,000 hidden in at least seven different places—in desk drawers, in the bank vault, even in the basement.

Some checks dated from 1954. All had been cashed and returned to the bank, but it was alleged they never had been credited to accounts of the payors, all having insufficient funds and some actually overdrawn on November 19.

REASONS REMAIN UNCLEAR

U.S. Attorney Laughlin E. Waters charged that John E. Petersen, 48, cashier and a Sun Valley vice president since the bank's inception, had withdrawn the checks from normal banking channels and had concealed them.

Reasons for this asserted action still have not been made clear.

The case of the "Santa Claus bank" was revealed officially late December 1. It burst on public attention in the Examiner and other newspapers the following morning.

Simultaneous announcements told of the huge shortages, of Cashier Petersen's arrest, and that Sun Valley National had been sold to the Security-First National Bank of Los Angeles to "protect the interests of depositors."

Sale of the Sun Valley National, apparently arranged over the weekend with consent of the U.S. Comptroller of the Currency, became effective at the opening of business on Monday, December 1. The purchase certificate was not signed until December 9, however, and terms of the agreement never have been made public.

LOSS BORNE BY STOCKHOLDERS

In a separate announcement ex-officers of Sun Valley National said, and the U.S. Attorney's office conceded, that the entire loss was borne by stockholders, and depositors in the bank lost nothing.

By December 12 Federal authorities had arrested 13 other persons in the case, Maurice Ratner, 53, fired Sun Valley president, two other bank officials, and 10 San Fernando Valley business people accused of writing "holdout" checks for totals ranging from $3,312 to $296,067.

Then two developments upset the apparent routine of the case.

First, it was learned that Los Angeles' underworld had been referring to Sun Valley National as the "free sample bank."

Second, observers became aware of a climate of reluctance to have details of Sun Valley's business become public.

The precipitate sale of the troubled bank probably prevented its going into Federal receivership, in which case its records would have been open.

While liquidating such business as Security-First National did not take over, C. L. Killingsworth, former Sun Valley executive vice president and board chairman, and M. J. Bristol, ex-secretary, reiterated that the entire loss was borne by stockholders.

But Sun Valley's December 31, 1957, statement listed its capital stock at $300,000, and its surplus as $235,000, and Assistant U.S. Attorney Norman Neukom said that at the time of transfer these items totaled "about $600,000."

If so, where did the additional $328,000 come from to make up the $928,000 shortage? Was it contributed by the stockholders? And, if so, who were the stockholders?

CONTRIBUTORS STILL SECRET

Killingsworth and Bristol declined to name them. Their identities still remain secret, and, as far as can be learned, none of them ever has complained publicly of his loss.

When asked if he had ever heard the nickname, "Free Sample Bank," applied to Sun Valley National, Bristol said he had not, but added with a rueful laugh:

"I have heard it called the Santa Claus Bank."

First indictments in the case, returned February 11, showed Federal attention focused on 3 of the 14 persons arrested, because, Assistant U.S. Attorney Neukom said:

"We feel we can show clearly that a conspiracy existed among these three."

THREE INDICTED; WAIT TRIAL

Indicted on charges of conspiracy and misapplication of national bank funds were:

John E. Petersen, fired Sun Valley vice president and cashier.

George S. Patterson, 42, sole owner of S.S.W., Inc., doing business as Universal Airlines, Inc., a supplemental air carrier.

George E. Batchelor, 38, operator of two firms, International Airports, Inc., doing business as International Aircraft Maintenance Co., and Batchelor Enterprises.

Universal Airlines and International Aircraft Maintenance Co. are located in the same building, hangar No. 3 at Lockheed Air Terminal, Burbank.

Universal was an airline that owned no airplanes, but operated extensively under Government contracts using planes rented from Batchelor's International.

All three men pleaded innocent, and await setting of the case for trial. After several continuances this matter is now calendared for June 15 before Federal Judge Pierson M. Hall.

Patterson was accused by the FBI of writing 188 "holdout" checks for a total of $200,559 between July 15 and November 10 against his Universal account, which contained only $894 at the time of the audit.

Batchelor was accused of issuing 302 "holdout" checks for a total of $152,152.98 between February 24 and November 14, 1958.

One, for $22,887, allegedly was drawn on Batchelor Enterprises, which had a November 19 balance of $5,060, and the remaining 301 on International Aircraft Maintenance Co., which was found by the FBI to be overdrawn $43.50.

Last March, Batchelor's lawyer demanded return of all 302 checks on the ground that the $152,152.98 has since been made good, but Assistant U.S. Attorney Neukom resisted this successfully, arguing:

"Batchelor knew when he accepted some 18 of Patterson's (holdout) checks for some $54,500 that Patterson had insufficient funds in the bank (and these checks have not been made good)."

Comparatively few of the checks listed by the FBI were mentioned in the indictment, however.

CONSPIRACY COUNT ON ALL THREE

In the misapplication counts, ex-cashier Petersen was charged with hiding out 14 checks each issued by Batchelor and Patterson, and the three were linked in one count of conspiracy.

Neukom explained that a count could have been based on each check, but that this would have made an unwieldly indictment, and that the 14 checks each were equally sufficient.

Nothing in the indictment suggests the far-reaching complex of relationships uncovered by the examiner except 1 of 25 overt acts alleged in support of the conspiracy charge.

CONCERNS MATS CONTRACT

This asserted act, No. 23, reads:

"That on or about November 14, 1958, at the offices of International located in Burbank, Calif., the defendants Petersen and Batchelor had a conversation, and at said time and place the defendant Batchelor caused to be prepared and written a letter dated November 14, 1958, directed to Small Business Administration, 312 West Fifth Street, Los Angeles 18, Calif. The defendant Petersen signed said letter and a copy of said letter was directed to Mr. George S. Patterson, S.S.W., Inc. (doing business as Universal Airlines)."

The examiner has learned what lies behind overt act No. 23:

During the summer of 1958, Patterson's Universal Airlines submitted the low bid on a Military Air Transport Service (MATS) contract.

This contract called for transportation to Europe of 1,500 military personnel monthly in pressurized four-engine aircraft, and its estimated value was about $3 million.

OWNED NO AIRCRAFT

Patterson's airline owned no four-engine aircraft or, for that matter, any airplanes whatever.

A separate corporation organized by Batchelor, however, was at this time purchasing two $775,000 DC-6B aircraft from American Airlines, with an option on a third, to be rented to Universal for $23,500 per month each.

Had Universal obtained the MATS contract, the $3 million proceeds would have paid for 36 months' rental of the two aircraft, a total of $1,692,000, and an operating balance of $1,308,000.

For Batchelor's corporation, the 36 months rental would have paid the full $1,550,000 cost of the two airplanes and left a balance of $142,000 for interest and incidentals.

UNIVERSAL'S BID REJECTED

Universal's low bid was rejected by MATS Contracting Officer Robert P. Hinger, however, on the ground of inadequate finances indicating "a state of insolvency."

A few days later, September 16, MATS awarded the contract to a higher bidder, Capitol Airways, Inc., of Nashville, Tenn., headed by Jesse F. Stallings.

Universal then protested loss of the $3 million contract to the Air Force and the U.S. Comptroller General.

The Comptroller General's Office in (an October 14) letter to the Secretary of the Air Force held that regulations required the Small Business Administration—not MATS—to rule on financial competence of bids submitted by small business concerns.

ASKED TO SUBMIT EVIDENCE

A copy of this letter was sent to attorneys for Universal with instructions to "immediately submit any additional evidence of credit and capacity to the contracting officer."

Overt act No. 23 alleged a Batchelor-Petersen conversation and Petersen's signing a letter to the Small Business Administration in Los Angeles on November 14. On November 19 the Federal audit of Sun Valley National Bank began.

And 6 days later Small Business Administration here advised the Secretary of the Air Force that if it had been asked to investigate it would have certified Universal Airlines competent as to credit and capacity.

In Washington, November 26, Lyle S. Garlock, Assistant Secretary of the Air Force for Financial Management, asked the Comptroller General what to do about the $3 million contract already awarded to Capitol Airways.

SBA OFFICIALS SHOCKED

Came the morning of December 2, and Small Business Administration officials here were shocked by news of the Sun Valley National Bank shortages and cashier Petersen's arrest.

They teletyped SBA headquarters in Washington, pointing out that the decision favorable to Universal Airlines was based on a letter signed by Petersen.

Later the same day they dispatched a second message advising SBA chiefs that other Sun Valley officers disclaimed knowledge of the Petersen letter.

Donald McClarnan, regional SBA director here, has since declined to confirm reports current elsewhere that the letter asserted Sun Valley National would support Universal to the extent of $300,000.

"DUPED" SAYS OFFICIAL

But of the letter itself, McClarnan said:

"It was a fraudulent attempt to induce this office to believe that Mr. Patterson's airline was solvent, when it was not. We were duped."

Asked what steps SBA took to make sure the letter was authentic, George Rands, financial assistance division chief, said he asked Petersen, the signer, about it, and was assured by Petersen that it was bona fide.

Batchelor and 11 others were arrested in the bank case December 8, with Patterson's surrender following 4 days later.

But in Washington as of December 9, Joseph Campbell, Comptroller General of the United States, had not gotten the word. He signed a letter to the Secretary of the Air Force which ended with:

"We must conclude that rejection of the (bid) submitted by Universal Airlines was erroneous and that the contracting officer was, therefore, without authority on September 16 to award (a contract) upon higher bid prices.

AIRLINE ADJUDGED BANKRUPT

"Accordingly, cancellation of such award should be accomplished by your Department at the earliest practicable date."

Some 3 months later, on March 20, Patterson's Universal Airlines, Inc., was adjudged bankrupt by a Los Angeles Federal referee. Patterson's review of possible sources of revenue said in part:

"The bankrupt is possessed of a cause of action against the U.S. Air Force for illegal cancellation of a contract for transportation of military personnel. The amount of this claim is $500,000."

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[From the Los Angeles Examiner, June 8, 1959]

THE STRANGE CASE OF THE SANTA CLAUS BANK—MONOPOLY IN U.S. NONSKED TROOP LIFT PACTS BARED

(By Tom Devlin and Henry Sutherland)

(Inquiry by the Examiner into "The Strange Case of the Santa Claus Bank"—little Sun Valley National—has revealed a complex of unusual and interesting relationships extending all the way from the San Fernando Valley to highest political levels in Washington. While not illegal, these connections could trigger major explosions in Washington. Following is second article of a series.)

George S. Patterson's success in winning back a $3 million oversea trooplift contract after rejection of his low bid on the ground of "insolvency" is less astounding when the man is viewed in his full stature.

The Air Force gave the contract to Capitol Airways, Inc., renter of one of two C-46 planes which have brought in more in a year for Col. George Gordon Moore, Jr., than the annual salary of his brother-in-law, President Eisenhower.

Patterson was not well known in Los Angeles last December when he was arrested as one of 14 persons involved in asserted manipulations which collapsed the Sun Valley National Bank with $928,000 in shortages.

But when U.S. Comptroller General Joseph Campbell ordered the $3 million contract awarded to him 7 days after public disclosure of the "Santa Claus bank" case, the examiner took another look at Patterson.

This look showed that Patterson, 42, was far more than owner-president of Universal Airlines, Inc., a small nonscheduled carrier operating with a handful of rented war surplus planes.

PATTERSON NATIONAL HERO

Actually he was a national figure—1958-59 president of the Independent Airlines Association, a powerful 21-carrier group enjoying the particular favor of the Government.

This association has held a virtually exclusive agreement with the Armed Forces for commercial air movement of military personnel in the continental United States since 1953.

Association airlines also have qualified under a "small business" allocation in the Defense Department's appropriation for oversea commercial trooplift—about 25 percent of $80 million in 1958-59.

They benefited additionally from a policy of the Civil Aeronautics Board, which authorizes no more supplemental air carriers, and thus excludes possible competitors.

REVENUES HAVE BEEN HUGE

During the 6-year life of the domestic trooplift agreement, it is estimated that IAA member airlines have grossed up to $100 million on Government contracts, and Patterson's own revenues have been huge.

His quarterly reports to the Civil Aeronautics Board show Universal Airlines, Inc., grossing $2,659,942.31 in the 21 months ending last September 30.

How Government contracts sluice from the Pentagon to IAA member airlines was described by Patterson in a Los Angeles Superior Court affidavit dated October 1, 1957.

This affidavit was filed with the Civil Aeronautics Administration in a dispute over registration of a C-46 airplane, CAA No. N111E, which in 1948 was sold as surplus by the Government for only $200.

AFFIDAVIT ON AIRPLANE

It read in part:

"N111E has been utilized by our company in commercial air movements (CAM) of military passengers. These are obtained by awards from the military, represented by an office in the Pentagon under command of General Lasher, to the Independent Airlines Association (IAA), which is the representative of the supplemental air carriers. IAA than designates the member carrier which is to handle the movement."

Brig. Gen. Edmund Chauncey Rockefeller Lasher, 52, former (1954) Army Assistant Chief of Transportation, is an imposing figure.

But IAA President Patterson, operating from association headquarters at 1328 I Street NW., in Washington, would be, as a matter of course, on first name terms with many powerful figures in and out of Government.

The association's fabulously lucrative contract with the Government is entitled, "Joint Military Air Transportation Agreement No. 6 (IAA)."

SIX AGREEMENTS

Signed June 27, 1958, for the year ending June 30, 1959, it notes cancellation of "agreement No. 5 (IAA)," indicating that there have been six such annual agreements.

Entering the 1958-59 agreement for the Government was the Military Traffic Management Agency, U.S. Army, acting for the Army, Air Force, Navy, Marine Corps, Coast Guard, National Guard Bureau, and other Government agencies.

It was signed by Brig. Gen. I. Sewall Morris, USA, for the Government and Maj. Gen. John P. Doyle, USAF (retired), then IAA executive director, for the association, the document noting that:

"This agreement applies only to the movement of military traffic on charter service by one or more of the carriers between points in the continental United States, whether or not such movement is part of a movement beyond such points."

EXCLUDES OVERSEA TROOPLIFTS

The effect of this is to exclude oversea trooplifts, which are contracted by the Air Force's Military Air Transport Service (MATS), usually under a system of competitive bidding, as in Patterson's disputed $3 million contract.

This system was protested by General Doyle on behalf of IAA at a hearing on the MATS budget request before a division of the Senate Committee on Appropriations last July 15. He told the Senators:

"It is our belief that procurement by sealed competitive bidding has no place in regulated industry. The Civil Aeronautics Board exists to protect all shippers—including the Government.

"We recommend that Congress direct the Government departments that all transportation procurement be carried out on a basis of previously filed tariffs as must be done by civilian shippers."

EXCLUSIVE EFFECT TOLD

The exclusive effect of the IAA ageement for domestic trooplifts was evidenced by testimony of Melvin N. Chapman of U.S. Aircoach in seeking Civil Aeronautics Board approval of an airplane lease last July 24.

During the hearing in Washington, Chapman's attorney, Albert F. Beitel, inquired:

Question. The organization of IAA as you describe it, does IAA procure the military business for its members?

Answers (by Chapman). They act as the bidding agency, the procurement agency.

Question. Then it would not be necessary for U.S. Aircoach to have it own personnel for the purpose of bidding?

Answer. I understand it is possible for a person to go down to some public building where these flights are posted on the board and bid on them, and so forth, but I don't believe anybody is doing that.

Question. It will be IAA who does that for you?

Answer. Yes.

Chapman's testimony also showed how Civil Aeronautics Board policy appears to exclude possible competitors of IAA airlines.

He had listed a supplemental air carrier certificate held by U.S. Aircoach as a $150,000 asset, and CAB Examiner Leslie G. Donahue asked why he believed the valuation to be legitimate.

Chapman replied:

"At this point, it is impossible for a person such as myself who is interested in starting in the supplemental air transportation business to get operating authority from the Board. I have at previous times even discussed a part 45 operation with Mr. Rosenthal.

(A part 45 certificate permits operation within a State, but not as a common carrier in interstate flights.)

"However, even with that he would experience difficulty from the association and be very restrictive insofar as operating.

CONVENIENCE TO MILITARY

"It appeared to me that actually this $150,000 valuation was put on by the previous management, but I would be willing to accept that as a fair value of the certificate, due to the fact that you can't—the Board does not authorize any more supplemental carriers."

It is apparent from the Army-IAA agreement, however, that the virtually exclusive use of IAA airlines for domestic commercial trooplift is a great convenience to the military agencies.

It provides for operation by the commercial air carriers under the familiar military system of TR's (transportation requests), using regular Army forms and pay vouchers in the same manner employed in military troop movements.

The agreement gives IAA airlines a further staggering advantage over possible competitors by authorizing the association to spot representatives at military installations to "assist" local transportation officers.

GIVES IAA INSIDE TRACK

In addition to military business, this provision gives IAA the "inside track" on so-called furlough flights, or plane charters paid for by the troops themselves during holidays when large numbers are en route to their homes.

All of this business funnels through headquarters of the Independent Airlines Association in Washington, D.C., where it is parceled out to member airlines at the association's discretion.

Members of IAA listed in the 1958–59 agreement with the Army's MTMA were:

Air Cargo Express, Inc.; Airline Transport Carriers, doing business as California Hawaiian Air Lines; All American Airways, Inc.; Arctic-Pacific, Inc.; American Flyers Airline Corp.; Associated Air Transport, Inc.

Aviation Corp. of Seattle, doing business as Westair Transport; Capitol Airways, Inc.; Central Air Transport, Inc.; Currey Air Transport, Ltd.; General Airways, Inc.; Great Lakes Airlines, Inc.; Miami Airlines, Inc.; Modern Air Transport, Inc.

Overseas National Airways; Purdue Aeronautics Corp.; Quaker City Airways, Inc.; Regina Cargo Airlines, Inc.; S.S.W., Inc., doing business as Universal Airlines; Transocean Air Lines, and Unit Export Co.

With this huge organization and multimillion-dollar operation behind him, perhaps it is no great wonder that Patterson, as IAA president, possessed influence with Government agencies.

What is amazing is that Patterson should be accused of issuing 188 "holdout" checks totaling $200,559 on Sun Valley National—the "Santa Claus bank"—during the 4 months between July 15 and November 10, 1958.

This is particularly astonishing in the light of Patterson's report to the CAB that his Universal Airlines grossed $667,103.49 during a 90-day period ending September 30.

It is almost equally amazing that George E. Batchelor, 38, from whose concerns Patterson rented planes, should be accused of writing 302 "holdout" checks aggregating $152,152.98 between February 24 and November 14.

RENTALS PAID BATCHELOR

Patterson reported that during the same July 1–September 30 period in 1958 Universal paid $52,500 in plane rentals to Batchelor's firms.

Patterson reported paying $506,250 in plane rentals during the 21 months ending September 30, a period during which he told the CAB Universal grossed $2,659,942.31.

During the first three quarters of 1958 his reports to the CAB show Universal grossing $1,558,130.26, and paying $168,000 in aircraft rentals to Batchelor's concerns.

Astonishing, still, is the fact that Patterson piled up these huge grosses and paid such large plane rentals with an average of three to six aging aircraft, most of them resurrected World War II C–46 Curtiss Commandos.

One such C–46 rented by Universal from Batchelor was the $200 surplus plane, N111E, which figured in Patterson's affidavit.

The affidavit added that N111E had been modified into what is known as a CW–20 type airplane at a cost of many thousands of dollars.

PLUSH INTERIOR REQUIRED

Aside from certain structural changes, such modifications require installation of a plush interior in the basic airframe. Patterson's affidavit said:

"There are only a few airplanes of this type in the United States today. Basic C–46's are no longer permitted to be so operated for passengers in the United States."

The expense was perhaps justified, however, for official IAA reports show that during the 13 months ending August 31, 1958, N111E grossed $237,034.37 more than 90 percent of it in flying military personnel.

So while there are many wonders connected with the case, it is no wonder at all that some pilots call the old C–46's "cash registers with wings—flying cash registers."

But a final source of wonder is this:

That no one, neither accused persons nor Federal authorities, has offered any explanation why—if such huge sums were passing through the hands of Patterson and Batchelor, or through the Sun Valley National Bank—at least some of the holdout checks were not covered?

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*Civil Aeronautics Board, statement of profit and loss, S.S.W., Inc., Universal Airlines, Sept. 30, 1958*

Operating revenues:

| | | |
|---|---|---|
| | Transportation: | |
| 1 | Passenger | $501,753.18 |
| 2 | Freight | 0 |
| 3 | Excess baggage | 1,556.78 |
| 4 | Contract and charter | 163,820.53 |
| 5 | Other transportation | 0 |
| 6 | Total transportation (items 1 through 5) | 667,130.49 |
| 7 | Other than transportation | ---------- |
| 8 | Total operating revenues (item 6 plus item 7) | 667,130.49 |

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[From the Los Angeles Examiner, June 9, 1961]

THE STRANGE CASE OF THE SANTA CLAUS BANK—IKE KIN FINANCED AIR CHIEF INDICTED IN CHECK PROBE

(By Tom Devlin and Henry Sutherland)

Criminal charges pending against George S. Patterson, 1958–59 president of the Government-favored Independent Airlines Association, become completely fantastic with disclosure that:

Patterson's personal financial agent in Washington was no less a person than the brother-in-law of the President of the United States.

This money broker is George Gordon Moore, Jr., 55, whose wife, Mrs. Frances Doud Gill Moore, is the younger sister of Mrs. Dwight D. Eisenhower.

Colonel Moore, as he is usually called, served as factor, or financial middleman, for Patterson's wholly-owned Universal Airlines, Inc., in its dealings with the Government.

He performed this service through a family-owned finance company, Air Transit Services, Inc., of 734 15th Street NW., Washington, D.C.

ACTED FOR HALF

Documents in the Examiner's possession also show that Moore has acted similarly for more than half of the carrier members of Patterson's Independent Airlines Association.

Colonel Moore's own testimony before a congressional committee appears to indicate that he has financed all IAA members at one time or another, and that this is the sole business of Air Transit Services.

For 6 years the association has held a virtually exclusive agreement with the Armed Forces for transporting of military personnel in the United States.

Additionally, a generous slice of the Defense Department's $80 million appropriation for oversea commercial trooplift in 1958–59 is earmarked for "small business," a term practically defining IAA member airlines.

EXCLUDES COMPETITORS

IAA has benefited further through a policy of the Civil Aeronautics Board, which authorizes no more supplemental air carriers, and thus excludes airmen who might compete with its members.

It is estimated that IAA airlines have grossed up to $100 million on Government contracts since 1953.

Now it appears that a substantial portion of this huge sum was discounted on a commission basis by a corporation owned by the brother-in-law, the sister-in-law, and the nephew of President Eisenhower.

Air Transit Services' 1959 report to the District of Columbia Superintendent of Corporations listed Moore as president, his wife as a director, and Richard Gill, Jr., 25, her son by a previous marriage, as vice president and secretary.

NO OTHER OFFICERS

There are no other officers save Mary Lou Hodges, treasurer, according to the report; and when asked before the congressional group, "Who is with you in this venture?" Moore replied:

"Just myself, sir.

"I have other interests, Mr. Chairman, but that is my business."

Colonel Moore is described in Washington as a man with a "passion for anonymity," who has avoided the limelight so assiduously that few of the Capital's best informed men would recognize him on sight.

However, he and Mrs. Moore are familiar figures at the White House, sometimes guests at official functions honoring foreign dignitaries.

Washingtonians seeking to telephone the Moores report that they can be reached through the White House switchboard.

SISTERS INSEPARABLE

This is, perhaps, understandable, since Mrs. Moore (nicknamed Mike) and her famous sister, Mrs. Mamie Eisenhower, are inseparable.

Some 2 years younger than the First Lady, whom she closely resembles, Mrs. Moore spends much time with her sister, and they are frequent traveling companions.

Moore emerged from the obscurity he cultivates on March 17, 1958, when he appeared voluntarily before the House Special Subcommittee on Legislation Oversight.

This was the same subcommittee which 3 months later rode roughshod over Sherman Adams, righthand man of President Eisenhower, resulting in Adams' resignation under fire the following September 22.

Earlier, in February, the subcommittee had dismissed its chief investigator, Dr. Bernard Schwartz, New York University law professor.

CHARGES CLIQUE

Dr. Schwartz then charged existence of a "White House clique," and said he had been about to expose "the manner in which votes have been bought and sold in the granting of multimillion-dollar licenses and franchises."

He named Adams, Moore, White House Counsel Gerald Morgan, Secretary of Commerce Sinclair Weeks and Thomas E. Dewey, former New York Governor and Republican presidential candidate, as members of the "clique."

This blast apparently moved Moore to go before the subcommittee, his only appearance during almost 8 years in Washington.

At one point in the hearing Representative Joseph P. O'Hara, Republican, of Minnesota, asked about the nature of his business, and Moore answered:

"The Air Transit Service, Inc., is a finance house. We buy Government receivables from undercapitalized companies.

"As an example, an airplane can fly out $10,000 or $150,000 worth of business in a month. The company flying the business does not have enough capital to wait for their money. They have to finance it in some way. I finance it, and discount the paper."

HOW SERVICES DISPENSED

How the services dispensed by Moore look to a small supplemental air carrier was revealed by testimony of Melvin N. Chapman of U.S. Aircoach in seeking Civil Aeronautics Board approval of a plane lease last July 24.

Chapman, a successful applicant for IAA membership, was asked by Herbert Elish, representing CAB's Bureau of Air Operations:

Question. Do you have any personal capital to invest in U.S. Aircoach?

Answer. I do not.

Question. Do you feel that the operation can be carried on successfully without any capital?

Answer. Yes, because (of) * * * the fact that we are factoring with Colonel Moore and getting immediate payment. His policy is immediately on receipt of the TR (military transportation request) the money is deposited in your account. We will have sufficient capital.

The banking connection through which Moore's financing business is accomplished is the American Security & Trust Co., situated at the corner of 15th Street NW. and Pennsylvania Avenue, opposite the Treasury of the United States and a block from the White House.

CONVENIENTLY LOCATED

Air Transit Services, Inc., is located conveniently next door to the bank and also opposite the Treasury, with which, Moore testified, 100 percent of its business is transacted.

Yet despite connections with this political prestige and financial power, and despite this availability of ready cash, IAA President Patterson awaits trial in Los Angeles with two others on charges of conspiracy and misapplying national bank funds.

The bank in question—the so-called Santa Claus bank—is the Sun Valley National, suburban Los Angeles institution which collapsed with $928,000 in shortages and was precipitately sold last December 1.

Patterson reported grossing $667,130.49 between July 1 and September 30, 1958—a period when Moore presumably was discounting its Government trooplift bills and providing the airline with immediate cash.

But Patterson is accused of writing 188 bad checks for a total of $200,559 between July 15 and November 10 against a Universal Airlines account containing only $894 when Federal bank examiners moved in last November 19.

Indicted with Patterson were George E. Batchelor, 38, operator of concerns from which Universal rented its aircraft, and John E. Petersen, 48, fired Sun Valley vice president-cashier accused of "hiding out" checks of both men.

INFLUENCE INVESTIGATED

At the time of Moore's appearance, the Special Subcommittee on Legislative Oversight was investigating reports that "White House influence" with the Federal Communications Commission had been used to help a subsidiary of National Airlines win a television license in Miami.

Moore denied having had anything to do with the TV matter, and testified that he was "not familiar" with any such entity as a "White House clique."

Committeemen, however, took time to inquire into Moore's spectacular success as a businessman in Washington during a period coinciding almost exactly with that of the Eisenhower administration.

As the hearings began, the chairman, Representative OREN HARRIS, Democrat, of Arkansas, inquired:

Question. At the outset, Colonel, I think we might establish the record. You married a sister of Mrs. Eisenhower?

Answer. Yes, sir.

Question. You and General Eisenhower were brothers-in-law by the fact that you married sisters?

Answer. Yes, sir.

Question. You are fairly close to the White House, aren't you?

Answer. Only in a social way, Mr. HARRIS.

Question. Well, in a family way, I would think?

Answer. In a family way, yes, but that is all.

At another point in Moore's interrogation, Representative Heselton, Republican, of Massachusetts, asked:

Question. I take it that you visit the White House occasionally?

Answer. Yes, sir.

Question. With your wife?

Answer. Yes, sir.

Question. And do you attend certain social functions at the White House?

Answer. Yes, sir.

ASKED OF WEALTH

Moore, a lieutenant colonel until 1951, when he took an Army discharge "to make money" (as he was quoted as saying), now is reputed to be wealthy.

Representative HARRIS asked:

"Now, you have heard the charge that in 1952 or 1953 * * * you started your business without any substantial capital, but that during these years intervening * * * you have become a rather wealthy man. Is there anything to that?

Moore replied:

"Well, Mr. HARRIS, I have turned over my returns, my records and everything to the staff investigators. My business makes money, but I will say this: That all of the money I have made in the last 6 years has come out of my personal business."

One physical evidence of Moore's success is that he and Mrs. Moore live in a handsome brick home in Washington's fashionable Klingle Road section.

Another is that they own a 605-acre fancy stock farm near Leesburg in the Virginia "fox-hunting country."

Moore's background, briefly, is this:

He was born in Galveston, Tex., January 1, 1904, a son of George Gordon Moore Sr., now 81, board chairman of the First National Bank of Galveston and retired president of the Galveston, Houston and Henderson Railroad.

MERCHANDISING BROKER

Educated in Galveston public schools and St. Mary's Roman Catholic Seminary at LaPorte, Tex., he later became a merchandise broker with the Eveling-Moore Company of San Antonio.

He and Mrs. Moore, formerly Mrs. Frances Doud Gill, were married at Denver in 1940, and now have two teenaged daughters, Ellen and Mamie, the later named for the First Lady.

The marriage was Moore's first, but Mrs. Moore has two sons by her previous union, Richard Gill, 25, an officer of Air Transit Services, and Michael Gill, 22, who was elected a member of the Young Republicans' National Committee a year ago.

At the outbreak of the war in 1942, Moore was commissioned a second lieutenant in the Army Quartermaster Corps.

He served in Europe and the Mediterranean, rising to major, and in 1946 he was integrated in the Regular Army in that rank. Following the war, Moore served in Panama and at San Antonio, being promoted to lieutenant colonel January 2, 1949.

The Army Register shows that he took his discharge on September 7, 1951.

Air Transit Services was incorporated at Dover, Del., a little over a year later, on October 2, 1952—33 days before the election of President Eisenhower.

AIR CARRIER AGREEMENT

IAA's agreement with the Armed Forces for commercial air movement of troops in the Continental United States dates from July 1, 1953.

By a clause in agreement No. 6 (IAA), effective from July 1, 1958, to June 30, 1959, the Government specifically reserved the right to use any form or mode of passenger transportation necessary.

Subject to that reservation, however, the association's agreement for domestic airlift of troops would appear to be virtually exclusive.

The extent to which Moore has financed carrier members of the Independent Airlines Association was implied in his testimony before the special subcommittee.

At one point he was asked by Representative JOHN BELL WILLIAMS (Democrat), Mississippi, about his relations with Trans Caribbean Airways, Inc., then an active IAA member.

Moore had testified that in 1952 he was employed by Trans Caribbean, 70 percent owned by O. Roy Chalk, 51, spectacular lawyer-real estate man-promoter who acquired the District of Columbia transit system as a subsidiary of his airline in 1956.

"When you left Trans Caribbean, did you sever all connections with that airline?" Representative WILLIAMS asked.

"Yes, sir, I did," answered Moore. "Don't forget that they had a business just like all the rest of these people where they were financing through me."

This would appear to indicate that Moore financed, or has financed, all of the members of the Independent Airlines Association. However, he added:

"I think (Trans Caribbean) did business with me for a year, maybe longer, and then I think they obtained a direct loan from a bank and did their own financing. * * *"

If Moore began "without any substantial capital," as Representative HARRIS implied, and if, as he testified, he finances "undercapitalized companies" which cannot wait for the Government to pay them for $100,000 to $150,000 worth of business, his prime asset must have been an agreement with a bank.

This would be the American Security and Trust Company, which, Moore told the subcommittee, he has used throughout his business career in Washington.

American Security and Trust is headed by one of the most respected figures in the Capital.

He is Daniel W. Bell, 67, career Treasury Department official since 1911, former acting Director of the Bureau of the Budget, and 1940–45 Undersecretary of the Treasury.

Bell ended 34 years of public service December 31, 1945, and 15 days later he moved across Pennsylvania avenue to become president of American Security & Trust Co.

HIGHEST REGARD

Both major political parties have the highest regard for Bell. A prized budget aide to President Roosevelt, he served in 1946 and 1947 as a member of President Truman's three-man Price Decontrol Board.

In 1950 President Truman appointed him a special ambassador to the Philippines, and in this capacity he probably endeared himself to the Republicans, then campaigning against "that mess in Washington."

With characteristic bluntness, Bell reported that "some $2 billion" in loans and gifts expended in the Philippines since V–J Day had been mostly squandered, much of it corruptly.

Some, not businessmen, have wondered that American Security & Trust does not itself finance supplemental airlines without the intervening brokerage of Air Transit Services, Inc.

However, one airman who explored this possibility reported that a bank official told him:

"We factor only through Colonel Moore."

THE STRANGE CASE OF THE SANTA CLAUS BANK—85 PERCENT OF MOORE'S BUSINESS IS WITH U.S. GOVERNMENT

(By Tom Devlin and Henry Sutherland)

George Gordon Moore, Jr., who less than 8 years ago gave up the Spartan life of an Army lieutenant colonel to "make money," is wealthy today, doing—he has testified—85 percent of his business with the Government.

How he managed to achieve this is one of the most fascinating Washington "success stories" of recent times.

Moore is a brother-in-law of President Eisenhower—husband of Mrs. Frances Doud Gill Moore, younger sister of the First Lady.

During an appearance before the House Special Subcommittee on Legislative Oversight last year he testified that his interests include five corporations, all concerned directly or indirectly with Government contracts.

Three of the Moore corporations are finance companies, factors clipping commissions from bills due air and ground carriers—mostly from the U.S. Treasury—in return for making the cash immediately available.

They are Air Transit Services, Inc., which Moore described as his principal business, G.B.L. (Government Bills of Lading) Services, Inc., and Air Freight Clearings, Inc.

It was through a client of Air Transit Services that the Examiner's attention was attracted to Moore's booming prosperity in the capital.

TIGHTLY ORGANIZED GROUP

This client was George S. Patterson, 42, sole owner of Universal Airlines, Inc., and 1958–59 president of the Independent Airlines Association.

IAA, a tightly-organized group of some 21 supplemental aircarriers, has held a virtually exclusive agreement with the Armed Forces for commercial air movement of military personnel in the United States since 1953.

Association airlines also qualify under the Defense Department's "small business" allocation for commercial airlift of troops overseas.

It is estimated that they have grossed $100 million on Government contracts during the past 6 years, and Air Transit Services, Inc., has financed at least half—perhaps all—of the member airlines at one time or another.

Patterson, the association president, awaits trial in Los Angeles with two others on charges of conspiracy and misapplying funds of a national bank.

He was one of 14 persons arrested for assorted manipulations which led to the collapse and precipitate sale of Los Angeles' Sun Valley National—the so-called Santa Claus bank—last December.

Patterson reported to the Civil Aeronautics Board that his Universal Airlines grossed $667,130.49 during the 3 months ending last September 30.

Yet he is accused of issuing 188 bad checks totaling $200,559 between July 15 and November 10 against a Universal account found by Federal bank examiners to contain only $894 as of November 19, 1958.

Moore, in testifying before the House special subcommittee, identified his remaining two corporations as Leaseair, Inc., and Comlease Corp.

Each has been engaged solely in leasing a resurrected World War II type Curtiss Commando plane to an airline member of IAA flying Government military contracts.

Some airmen call these aging C–46s "flying cash registers." Moore's two have brought him $112,658.64 a year in rentals—more than the $100,000 annual salary of the President of the United States.

How two of the three Moore finance companies deal exclusively in bills due on Government contracts was described in testimony before the special subcommittee when Representative JOHN E. MOSS, Democrat, California, inquired:

Question. Air Transport Services, Inc., Air Freight Clearings, Inc., and Government Bills of Lading, Inc., are those factoring firms all doing business with airlines who are dealing in Government contracts?

Answer (by Moore). No. We handle some commercial paper.

Question. In all of them or in——

Answer. No, Air Freight Clearings handles mostly commercial paper. We do not put any commercial paper in GBL.

Question. And you handle commercial paper in Air Transit?

Answer. No.

Moore explained in reply to further questions that GBL services handles bill due trucking companies for haulage of Government freight, saying in part:

"Many of these companies cannot afford to put $50,000, or $75,000, or $100,000 into a package that would take them as an example 60 days to get repaid from the Government. So they factor the paper and the house that factors it makes a very small percentage."

When asked what proportion of his business is transacted with the Government, Moore estimated about 85 percent.

BYWORD IN WASHINGTON

It was apparent from Moore's other testimony, however, that the story of his success in Washington is bound up with that of the Independent Airlines Association and his connection with one of its founders.

This man is O. Roy Chalk, 51, high-flying, flamboyant New York-Washington lawyer, real estate speculator, and promoter credited with amassing a $10 million fortune in a wide range of ventures.

Little known elsewhere until recently, Chalk's name is a byword in Washington, where his reputation for obtaining Government favors is fabulous.

He is 70-percent owner of Trans Caribbean Airways, Inc., a reputed $6-million-a-year operation which he is said to have founded in 1945 with three war surplus airplanes and $60,000 in cash.

A business magazine said of him recently that soon after the outbreak of the Korean war:

"Chalk formed the Independent Military Air Transport Association—with Trans Carib and 10 other nonskeds—to woo business from the services for his * * * aircraft. Soon the members were splitting $1 million a month worth of charter flights. The business has grown more than fourfold since."

Independent Military Air Transport Association is the same organization as IAA. It changed its name to Independent Airlines Association in 1957.

Chalk startled Washington in 1956 when he took over the District of Columbia transit system—as a wholly owned subsidiary of Trans Caribbean, then a nonscheduled airline member of IAA.

He gained possession of the $17 million D.C. Transit System, Inc., as he renamed it, with the blessing of Congress, a 20-year franchise, and only $500,000 of his own money, which he may have recovered in a "rapid tax writeoff."

Last April Chalk made more headlines by offering to buy the troubled $2 billion New York subway and bus system from the New York Transit Authority for a sum reportedly in excess of $500 million.

For airmen, however, the measure of Chalk's achievement came in 1957 when Trans Caribbean became the first nonscheduled airline to graduate to scheduled rank in 20 years, with regular flights from New York to Puerto Rico.

Moore's testimony before the special subcommittee indicated that his association with Chalk and the Independent Military Air Transport Association (IAA) began soon after he left the Army as a lieutenant colonel on September 7, 1951.

Representative JOHN BELL WILLIAMS, Democrat, of Mississippi, inquired:

Question. Prior to the year 1952 I believe you were working for this IMATA group * * * weren't you?

Answer. Yes, sir.

Question. Mr. Chalk was primarily responsible for your going to work for IMATA?

Answer. That is correct, he was president of IMATA.

WILLIAMS pursued:

Question. In early 1952 or late 1951 Mr. Chalk severed his connection with IMATA, didn't he, after having some policy disagreements with the members of the board of directors?

Answer. That is right.

Question. However, you remained on for a certain length of time, until shortly before the Republican Convention (July 7–12, 1952). Isn't that correct?

Answer. I think that is so, yes sir.

Question. What happened after you left IMATA?

Answer. I went to work for Mr. Chalk.

Question. At that time Mr. Chalk was president of Trans Caribbean, was he not?

Answer. Yes, sir.

Question. Soon after you went to work for Mr. Chalk you and Mr. Chalk attended the Republican Convention in Chicago together, did you not?

Answer. Yes, sir.

Question. You went at Mr. Chalk's expense, didn't you?

Answer. No, sir. I did not. As a matter of fact, I paid for Mr. Chalk's railroad ticket. He picked up the tab at the hotel, but you know * * *

"I stand corrected," said Representative WILLIAMS.

The Chicago convention, of course, nominated Moore's brother-in-law, General Dwight D. Eisenhower, as Republican candidate for President.

Representative WILLIAMS continued:

Question. Soon after the Republican National Convention you were elevated to the position of vice president of Trans Caribbean Airlines, were you not?

Answer. Mr. WILLIAMS, I do not know whether I went to work (for Chalk) as a vice president or whether they made me a vice president at that time. I don't recall.

Question. How long did you hold that position?

Answer. Four or five or six months. I got out and opened my own business.

Moore's Air Transit Services was incorporated at Dover, Del., on October 2, 1952, with 250 no par value shares of stock authorized and a minimum starting capital of $1,000.

Thirty-three days later, on November 4, Moore's brother-in-law was elected President of the United States.

At another point in the hearing Representative Moss inquired:

"Were you associated in any way with Mr. Chalk, or did he give you any assistance in establishing the factoring business which you are operating?"

"No, sir," returned Moore, "he did not."

President Eisenhower was inaugurated on January 20, 1953.

Exactly 2 months later, on March 20, the previously unincorporated Independent Military Air Transport Association—later IAA—was incorporated at Dover, Del.

Curiously, the original incorporators of IMATA were the same three who acted for

Moore's Air Transit Services—E. E. Boyles, M. R. Hall, and M. P. Gorsuch, all of Dover.

The resident agent of the two organizations also was the same, United States Corporation Co., 129 South State Street, Dover, Del.

CHALK HEADS DIRECTOR LIST

By this time Chalk apparently had composed whatever policy disagreements he had with the IMATA board the year before. For heading the list of directors of the newly incorporated association was the name, "O. Roy Chalk, 200 West 57th Street, New York City."

Conclusions of IMATA–IAA's first virtually exclusive agreement with the Army's Military Traffic Management Agency for commercial air movement of military personnel in the United States followed shortly.

It went into effect July 1, 1953, within 4 months after the association's incorporation, and a little less than 6 months after inauguration of President Eisenhower.

Chalk's association with Moore apparently came to an abrupt end following Moore's voluntary appearance before the House Special Subcommittee on Legislative Oversight March 17, 1953.

The next month, April, is the last in which Chalk's Trans Caribbean Airways appears in 1958 IAA reports as an active member.

And on the following July 1 Chalk's name disappeared for the first time as a member of the Independent Airlines Association board of directors.

But by that time Moore was rated a wealthy man, a familiar in the White House, living in an exclusive Washington residential district, and owning a 605-acre fancy stock farm near Leesburg, Va.

STEPSON'S VISITS TO CIA TOLD

At another point in the subcommittee hearing last year the chairman, Representative OREN HARRIS, Democrat, of Arkansas, inquired:

Question. Colonel Moore, did it ever occur to you that the fact that you are a brother-in-law of the President, in these various business adventures, might have had a great deal of influence on the decisions and outcome of them?

Moore replied that he did not understand the question, saying:

Answer. I am sorry, Mr. HARRIS. I do not know how to answer * * *.

Question. I want you * * * to understand thoroughly what I have in mind. The charge has been made that it was [through] your influence that certain things were attempted, and that [it was] because of your relationship to the White House that you had been invited on many of them.

Did it ever occur to you that [due to] the fact that you did have this relationship, they were using you in that position and relationship to affect the outcome of these various business adventures?

Answer. Mr. HARRIS, I may have been used in one instance 6 or 7 years ago, but certainly I have not been used, and I am very careful of every one of my business ventures to be sure that someone is not using me.

Question. Now, none of your business comes before the regulatory agencies?

Answer. I do not even go to the (Civil Aeronautics) Board any more, Mr. HARRIS; have not been down there in 3 years even though I own * * * airplanes and occasionally would like to go down there and find out some of the things I want to know. I have tried to be circumspect in everything I have done.

Washingtonians report, however, that Moore's stepson, Richard Gill, Jr., 25, a nephew of the President, visits the CAA. Gill has been an officer of Air Transit Services, Inc., since February of 1958 at least.

Under further questioning by Representative WILLIAMS, Moore admitted that "within recent months" Chalk had approached him "about the possibility of accepting a directorship in D.C. Transit * * * and possibly also Trans Caribbean."

He told the subcommittee he refused, because:

"I know Mr. Chalk, he is a businessman, and I think he probably asked me to be a director in D.C. Transit in the event he ever got involved with the (District of Columbia) Commissioners and wanted somebody to go down there to talk with them.

"I would have to do it, and I said, 'No, I can't. I cannot be a director in D.C. Transit.' "

Moore said he refused a directorship in Trans Caribbean Airways for the same reason, and that, "I think it would be highly improper for me to go in any regulatory agency for anything."

When Representative WILLIAMS asked, "What was the basis of your feeling in this regard?" Moore replied:

"Having lived in Washington a little longer than I was at first and began to understand some of the things that take place in Washington, I didn't think it was proper for me to accept any position that would cause me to go before any of the boards or any of the regulatory agencies, or do anything with the Government."

Representative WILLIAMS. Colonel, permit me to say or just make the observation that in refusing these directorships, I think you acted quite properly and I commend you for doing so.

MOORE. Thank you, sir.

Asked how it felt "to go before an investigating committee after a career of avoiding the limelight," Moore was quoted as replying:

"I'm thoroughly in favor of the congressional investigating process and I think it plays an important role in Government. But I never want to have to participate in one again."

Washington columnist George Dixon reported Moore as saying:

"Being Ike's brother-in-law is more of a liability than a help."

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LEASED FOR $112,658 A YEAR—MOORE DOES WELL WITH TWO OLD PLANES

"I have always been interested in airplanes * * * and I feel that they will make money if they are properly handled and properly run. I think they are a good property to own."

George Gordon Moore, Jr., made the foregoing statement in testimony before the House Special Subcommittee on Legislative Oversight during a voluntary appearance March 17, 1958.

In evidence of how right he was, two World War II C–46 aircraft owned by Moore have been leased for a combined total of $112,658.64 yearly.

RENTED

The Moore planes were rented to air carrier members of the Independent Airlines Association.

Both renters, Associated Air Transport, Inc., of Miami, and Capitol Airways, Inc., of Nashville, Tenn., have reportedly discounted their bills due on Government contracts through Moore's Air Transit Services, Inc.

One of Moore's Commandos, No. N3958A, has a curious history, beginning when the Air Force released it as surplus in India following World War II, and it was acquired by the Indian Government.

On April 4, 1954, India sold the plane to C.L.F. Aviation Corp., of 233 Broadway, New York City, which registered it under its present CAA number and mortgaged it for $40,000.

In October of 1954, the Commando was sold to a Florida aviation firm. This company, in turn, sold it to Cia Aeria El Burrito (the Little Burro) S. A. of Medellin, Colombia, but bought it back almost 2 years later, on September 1, 1956.

CHANGED HANDS

The "Little Burro" plane then changed hands several times, and on May 31, 1957, wound up under ownership of Moore's Comlease Corp., subject to two mortgages totaling $258,338.50, both signed by Richard Gill, Jr., as Comlease vice president.

Civil Aeronautics Board records disclose that the largest of the two mortgages for $233,358.50 and originally negotiated by Comlease with the L. D. Smith Corp. of Ohio, is held by American Security & Trust Co. As of June 1, 1957, the "Little Burro" was flying for Associated Air Transport Service, Inc., a one-aircraft member of Independent Airlines Association at that time. The current lease, at $6,388.22 monthly, expires during the present month.

During a 13-month period ending in August 1958, official IAA reports show that the "Little Burro" grossed $322,398 for Associated, the bulk of which was paid by the Treasury of the United States for commercial military airlift.

The second Moore C–46, CAA No. N4719N, is handled by a separate corporation, Leaseair, Inc., which, as far as has been learned, has no other business.

This aircraft was one of the five bought from the Air Force along with 25,000 pounds of spare parts by Slick Airways of San Antonio, Tex., on July 21, 1947. Slick paid $110,000 for the lot.

ONE OF FIVE

In January of 1954 Slick sold N4719N to Airplane Enterprises, Inc., of 855 Sixth Avenue, New York City, which, in December of that year, sold it to Capital Airways, Inc.

Jesse F. Stallings, head of Capitol, preceded George S. Patterson as president of Independent Airlines Association in 1957–58.

On March 6, 1957—one day after Leaseair's incorporation—the Moore firm bought N4719N from Capitol under a bill of sale signed by Stallings for "$1 and other valuable considerations."

On April 18, however, Moore as Leaseair president, and Gill as secretary, filed a signed document mortgaging the aircraft to Lewis Gottlieb and James H. Boyce, in care of the Harvey Machinery Co. of Baton Rouge, La., for $100,000.

Curiously, Leaseair's 1958 report to the District of Columbia superintendent of corporations listed James H. Boyce as vice president of that firm and the 1959 report of Comlease listed Boyce as a director.

During the special subcommittee hearing Boyce was identified as "a rather substantial contributor to the Democrats for Eisenhower Organization in Louisiana," and as "very active in behalf of Eisenhower's candidacy" during the 1952 and 1956 presidential campaigns.

The change of ownership apparently did not alter operation of N4719N, however, for on March 25, 1957, Leaseair rented the plane back to Capital Airways, Inc., under a 24-months lease at $3,000 per month.

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[From the Los Angeles Examiner, June 11, 1959]

SUMMARY OF THE SANTA CLAUS BANK CASE—TRIAL SCHEDULE TO START ON JUNE 15

(EDITOR'S NOTE.—Inquiry by the Examiner into "The Strange Case of the Santa Claus Bank"—little Sun Valley National—has revealed a complex of unusual and interesting relationships extending all the way from the San Fernando Valley to highest political levels in Washington. While not illegal, these connections could trigger major explosions in Washington. They probably are irrelevant to the bank case itself, however, and will not figure in trials pending here. The fifth and final article of a series follows:)

(By Tom Devlin and Henry Sutherland)

A fantastic political hinterland to the Sun Valley National Bank case has been revealed

by the Examiner, but it is unlikely that this will be developed during pending trials.

For one reason, most of it probably would be legally irrelevant. Facts of the so-called "Santa Claus bank" case, itself, are relatively simple.

Indicted on charges of conspiracy and misapplication of national bank funds February 11 were George S. Patterson, 42, George E. Batchelor, 38, and John E. Petersen, 48, former Sun Valley vice president and cashier.

The 3 were among 14 persons arrested for asserted manipulations which led to the collapse of the bank with $938,000 in shortages and its precipitate sale last December 1.

Cashier Petersen was accused of hiding some $350,000 in checks issued by Patterson and Batchelor, and of failing to apply them to business accounts having insufficient funds.

Setting of their cases for trial, continued many times, is now scheduled for 10 a.m. June 15 before Federal Judge Pierson M. Hall.

Judge Hall has indicated that trial will be assigned to Judge John D. Martin of Memphis, Tenn., chief judge of the Sixth Federal Judicial District, who is expected to sit temporarily in Los Angeles.

MILLION-DOLLAR-A-MONTH CONTRACTS

However, in delving into the background of the case, the examiner learned that Patterson, sole owner of Universal Airlines, Inc., was also 1958–59 president of the Independent Airlines Association.

IAA is an organization of 21 nonscheduled airlines which for 6 years has held a virtually exclusive agreement with the Armed Forces for domestic commercial airlift of military personnel.

This does not, of course, mean that association airlines are the sole commercial transporters of troops within the Nation.

IAA's agreement is limited to military traffic on air charter flights between points in the continental United States, and the Government reserves the right to use any form or mode of transportation necessary.

Railroads, buslines, and large scheduled airlines also bid on transportation of military personnel, with contracts awarded at Government discretion.

Also, within the past year another association was formed, the Supplemental Air Carriers' Conference, apparently as a rival to IAA.

However, the agreement has brought IAA airline members $1 million a month in Government contracts—estimated grosses ranging up to $100 million since 1953.

Nevertheless, IAA officials deprecate the implication that airline members have made large profits, saying the margin has been so slim that several carriers recently have been forced to abandon the business.

Association airlines also qualified under a "small business" allocation in the Defense Department's appropriation for oversea commercial trooplift, about 25 percent of $80 million in 1958–59.

They benefited additionally from a policy of the Civil Aeronautics Board, which authorized no more supplementary air carriers, and thus excluded possible competitors of the IAA.

However, this policy was disavowed last January 28 when a decision of the Civil Aeronautics Board stated that the "door is open" to new supplemental air carriers applying.

Patterson, who assertedly found it necessary to write bad checks on the Sun Valley National Bank, reported to the CAB that his Universal Airlines grossed $2,659,941.31 during the 21 months ending last September 30.

Further inquiry disclosed that Patterson's financial agent in Washington was Col. George Gordon Moore, Jr., brother-in-law of the President of the United States.

MIDDLEMAN FOR AIRLINE

Moore acted as factor, or middleman, for Patterson's airline, clipping commissions from bills due the carrier on Government trooplift contracts in return for making the money immediately available.

He did this through a family-owned finance company, Air Transit Services, Inc., and Washington's American Security & Trust Co., both located a block from the White House and opposite the Treasury of the United States.

Owners and officers of Air Transit Services are Moore himself; his wife, Mrs. Frances Doud; Gill Moore, younger sister of Mrs. Eisenhower; and Richard Gill, Jr., 25, Mrs. Moore's son by a previous marriage.

Moore is known to have financed more than half of the airline members of IAA, just as he did Patterson's Universal.

His testimony before a House subcommittee last year indicated that he had financed all IAA airlines at one time or another, and that this was the sole business of his family firm.

Still further inquiry disclosed that Air Transit Services was incorporated October 2, 1952—33 days before the election of President Eisenhower.

Moore, a World War II Quartermaster Corps officer integrated into the Regular Army, took his discharge as a lieutenant colonel September 7, 1951, "to make money," as he assertedly remarked.

His subcommittee testimony shows that shortly thereafter he went to work for O. Roy Chalk, whose reputation for obtaining Government favors is fabulous.

Chalk was president of Independent Military Air Transport Association, then unincorporated, which in 1957 changed its name to IAA—the Independent Airlines Association.

Shortly before the Republican National Convention of 1952 Moore left IMATA and went to work for Chalk again—with Chalk's flourishing Trans Caribbean Airways, Inc., an airline member of IMATA–IAA.

ACHIEVES SCHEDULED STATUS

In 1956 Trans Caribbean took over the $17 million book value District of Columbia Transit System as a subsidiary, in a deal blessed by Congress, which, because of tax writeoff, may have cost Chalk no cash whatever.

In 1957 the Civil Aeronautics Board smiled on Chalk, and Trans Caribbean became the first nonscheduled airline to achieve scheduled status in 20 years, with a 3-year authorization for traffic from New York to Puerto Rico.

Moore, became a vice president of Trans Caribbean in 1952, but resigned within a short time to found Air Transit Services, Inc.

Two months after the inauguration of President Eisenhower, IMATA–IAA underwent incorporation, and on the following July 1, 1953, the first of its domestic commercial trooplift agreements was installed.

Chalk remained a director of IMATA–IAA continuously until June 30, 1958, some 3 months after Moore's voluntary appearance before the House Special Subcommittee on Legislative Oversight.

By that time Moore was rated a wealthy man, a familiar at the White House, living in Washington's fashionable Klingle Road district, and owning a 605-acre stock farm near Leesburg, Va.

Moore's other interests include the corporations Comlease and Leaseair, each renting a resurrected World War II Curtiss Commando plane to an IAA airline member.

Some airmen call such aging C–46's "flying cash registers." Moore's two have produced more in annual rentals than his brother-in-law earns as President of the United States.

TWO OTHER FINANCE COMPANIES

In addition, Moore has two other finance companies, GBL (Government Bills of Lading) Services, Inc., and Air Freight Clearings, Inc.

He told the House subcommittee that Air Freight Clearings handles mostly commercial papers, but that none is placed with GBL or Air Transit Services, Inc.

When asked what proportion of his business is transacted with the Government, Moore estimated about 85 percent.

All of this, however, is probably irrelevant, legally, to the bad check charges at Sun Valley National, and it is apparent from study of the "Santa Claus bank" case that many interesting questions may go unanswered.

Batchelor, accused with Patterson, would appear to be connected with the complex background only indirectly, in that his International Aircraft Maintenance Co. rented planes to Universal Airlines, which owned none.

Patterson's reports to the CAB indicate that Universal paid $560,250 in aircraft rentals to International during the 21 months ending September 30.

When Federal bank examiners moved into Sun Valley National last November 19, they assertedly found 188 hidden checks for a total of $200,559 written by Patterson on his Universal account then allegedly containing $894.

The Patterson checks were dated during a 4-month period from July 15 to November 10, 1958.

Federal men reported finding 302 hidden checks in the bank, totaling $152,152.98 and allegedly written by Batchelor between February 24 and November 14.

They said one, for $22,887, was drawn on the account of Batchelor Enterprises, containing $5,060, and the other 301 on that of International Aircraft Maintenance Co., which was overdrawn $43.50 at the time of the audit.

Only 14 checks each, assertedly written by Batchelor and Patterson, figure in the indictment, however, and when innocent pleas were entered by the two men Assistant U.S. Attorney Norman Neukom stipulated that these constituted all of the check counts with which they were charged.

Neukom explained out of court that a count could have been based on each check, but that this would have made an unwieldly indictment and that the 14 checks each were equally sufficient.

Another tantalizing question which is likely to go unanswered is how the Sun Valley National Bank managed to pay out some $300,000 more than its capital stock and surplus totaled.

Effective as of the opening of business December 1 the bank was sold to the Security-First National Bank of Los Angeles to protect the interests of depositors.

At the same time it was announced that the entire loss, ultimately fixed at $928,000, had been borne by Sun Valley National stockholders, and that depositors would lose nothing.

Assistant U.S. Attorney Neukom said that at the time of its transfer Sun Valley's capital stock and reserves totaled about $600,000.

All of the assertedly hidden checks had been cashed. Thus the bank must have paid out $928,000, leaving the question: Where did the remaining $328,000 come from?

Sale of the Sun Valley National, apparently approved by the U.S. Comptroller of the Currency over the November 29–30 weekend, probably prevented the bank's going into Federal receivership, in which case its records would have been open.

Identities of stockholders in Sun Valley, who bore the loss, never have been made

public, nor, as far as can be learned, have any complaints been made by them.

DEMANDED RETURN OF CHECKS

Batchelor has said repeatedly, in person or through his attorneys, that all of his $152,-152.98 in checks has been made good.

When he was arrested last December 8, Batchelor said he had been making restitution at the rate of $2,500 a day, and had then repaid $79,000. Next day, however, he said in a belligerent statement that:

"I don't have to return anything to the bank because I don't owe the bank a nickel. The bank has never lost a dime on our account, and this is true."

In March, Batchelor's attorneys demanded that his checks be returned to him, arguing that since they had been made good they were his property, but this was denied by Federal Judge Ben Harrison, who on March 23 ordered the checks impounded as evidence.

Thus Batchelor's checks became a matter of public record, but the 188 checks for $200,559 issued by Patterson never have been released, and the identities of payees are still largely unrevealed.

Neukom said that the Goverment had no objection to release of the Patterson checks if Sun Valley National wished to release them.

When this was proposed, however, the reply issuing from remains of the "Santa Claus bank" sounded remarkably like "Jingle Bells."

The reply was made March 27 by C. L. Killingsworth, former executive vice president and board chairman, then busy with M. J. Bristol, ex-secretary, in liquidating such Sun Valley National business as the purchasing bank did not take over.

Killingsworth, a former Federal bank examiner, said solemnly:

"As representative of the stockholders who suffered the loss, the Sun Valley Bank doesn't want to do anything to incur the enmity of anyone."

"Not even the enmity of Patterson, who is accused of clipping the stockholders of $200,559 with 188 bad checks?" he was asked.

"Not even him," the banker replied.

The facts stated in these articles taken from the Examiner have never been refuted.

We are all famiilar with the recent crash in Shannon, Ireland, of the President Air Lines plane, in which 82 persons—the total number of persons aboard—were killed. This crash is reviewed in the following article which appeared in the September 11, 1961, issue of the Los Angeles Examiner:

[From the Los Angeles Examiner, Sept. 11, 1961]

MUD OF SHANNON SIFTED FOR AIR CRASH VICTIMS

SHANNON, IRELAND.—Rescue workers dug in Shannon estuary mudbanks Sunday to recover victims of the worst disaster ever to befall a U.S. commercial plane abroad.

Eighty-three persons—77 of them European farmers and their families en route for a tour of the American Cornbelt, and a 6-member U.S. crew, perished when a chartered DC-6 of President Air Lines crashed into the Shannon's swirling tides just after taking off before dawn for New York.

First reports from Shannon and a U.S. Air Force spokesman in London erroneously identified the passengers as American Army personnel, their wives, and children flying home from Germany.

Later the error was explained because a chartered plane carrying the Americans had been called for takeoff at the same time.

Sixty-five Germans and a handful of Swiss, Dutch, and Austrians were aboard the ill-fated flight. All including one infant, died in a horror of muck and tangled wreckage.

Working at times knee deep in mud, rescue workers recovered 63 bodies before the incoming tide lapped over most of the wreckage and interrupted operations late Sunday.

The Red Cross, in reporting the death total, said one body was washed ashore at Killy Dysart, 6 miles from Shannon.

The DC-6 had been chartered from President Air Lines, a charter firm based at Burbank, Calif., by Mannesmann-Regner, a German company which builds farm spraying equipment, to carry the Europeans to Chicago.

The big four-engine plane took off last night from Duesseldorf, West Germany. Shannon was a refueling stop.

The DC-6 pilot was Capt. Edward Tonnensen, 40, of Corona Del Mar, Calif.; divorced, he leaves two daughters—Kay, 16, and Kerry, 15—who lived with him in Corona Del Mar.

The line identified the other crew members as:

Copilot Robert C. Budinich, 28, Bogota, N.J., a bachelor; Flight Engineer Alvin G. Krueger, 40, Los Angeles, married, one child; Navigator Thomas P. Johnson, 38, Seattle, Wash., married, two children; Stewardess Rita Jackson, 22, Jamaica, N.Y.; and Stewardess Erika Urban, 21, Massapequa, N.Y.

The passengers planned a 3-week visit to the United States, paid for out of their own pockets, for sightseeing and studying American farming methods.

The plane reached Shannon on schedule, took off in a light fog at 3:50 a.m. and crashed in the estuary within a mile of the end of the runway.

Shannon's river rescue squad—reinforced and reequipped after an almost identical crash in which 28 died 7 years ago—sped launches with searchlights into the estuary.

The boatmen saw two bodies float away toward the Atlantic.

Then the lights picked out a girl, about 25, standing chest deep in the water. Badly injured about the head, she mumbled incoherently as the rescuers pulled her into a launch. Still unidentified, she died in the airport hospital.

In a normal takeoff the plane, by the time of the crash, should have reached 800 feet and made a right turn. Instead it made a left turn and hit the water in a banking position.

Interestingly enough, the general manager of President Air Lines is George S. Patterson. This is the man who was former president of the Independent Airlines Association monopoly, president of the bankrupt Universal Airlines, and a principal in the Sun Valley National Bank scandal. As general manager of President Air Lines, he testified before the House Interstate and Foreign Commerce Committee in favor of H.R. 7318.

The political aspects of the supplemental airlines industry are reviewed in the August 18, 1959, issue of Look magazine in an article entitled, "The Strange Story of Mrs. Eisenhower's Brother-in-Law." The text of the article follows:

[From Look magazine, Aug. 18, 1959]

THE STRANGE STORY OF MRS. EISENHOWER'S BROTHER-IN-LAW

(By Fletcher Knebel)

George Gordon Moore, Jr., an amiable 55-year-old gentleman, retired 8 years ago from the Army Quartermaster Corps as a lieutenant colonel. He had scant capital and little means.

Today, he is the talk of the Virginia horse country. He owns a 550-acre horse farm in the fashionable Leesburg area, supervises a racing stable for Texas millionaires, pays a hefty income tax, finances air-transport companies hauling Government cargo, and is on a first-name basis with big men of Government and industry.

None of this recent prosperity would be a matter of special note except for three facts. First, Colonel Moore, as he is known, is Mamie Eisenhower's brother-in-law. Second, his rise to affluence has paralleled almost precisely the Eisenhower political era from 1952 to date. Third, many of his deals have involved people doing business with the Government.

Although he has been investigated once by a congressional subcommittee, there is no evidence that G. Gordon Moore peddles influence. A study of the fringe benefits of U.S. politics, however, would find Moore an interesting case history:

He had few assets in 1952, yet he was able to gain large credits from a Washington bank to establish an airline financing operation.

Although he had no experience in the field, a foreign dictator hired him in 1955 to comanage a shipyard construction project for him.

He was a novice of only 2 years' experience in the complex business of training and racing horses, yet a group of Texas millionaires picked him to supervise their racing stable.

Colonel Moore's Holiday Hills Farm represents an investment of well over $100,000.

The farm originally concentrated on crops and cattle, including an overflow from President Eisenhower's Gettysburg property, on which gift stock had been showered. Two years ago, however, Moore switched to horse breeding and training.

This year, as a result, he has pastured and trained a half-dozen horses of the Murcain-Byars Stable, a racing syndicate composed of wealthy Texans—Clinton W. Murchison, Wofford Cain, and B. G. "Billy" Byars. They have shipped some $200,000 worth of horseflesh to Moore. One stallion, worth $30,000, was given to him outright.

Tongues wagged in the Virginia horse country over the arrangement. People ask one another whether such a newcomer to racing would have been entrusted with the stable if he had not been the brother-in-law of the wife of the President of the United States.

MOORE WAS THE MIDDLEMAN

Moore himself sees no cause for surprise. He spoke quite frankly of his various ventures in an interview in his Washington office. "They would have stabled with me regardless of who was in the White House," he said. "I've known Billy Byars for years in Texas. The group has confidence in me. The farm is centrally located for eastern tracks. Anyway, there's no money in it for me. All I get is $3 a day for each horse while it is on the farm."

But Colonel Moore was the middleman, at a fat fee, for twin deals involving the recent sale of the Charles Town, W. Va., race track, which is valued at between $4 and $5 million

On May 7, Mrs. A. J. Boyle sold the track to a Texas syndicate led by Murchison and Byars. Two weeks later, the syndicate sold to the owners of the big Pimlico track in Baltimore. Negotiations for the deals were carried on by Colonel Moore. A reliable source, familiar with details of the transactions, said that Moore's commission amounted to $140,000.

"I'd tried for a couple of years to get Mrs. Boyle to lease the track to the Texas group, but the Pimlico people got the lease," Moore explained. "The Texas people wanted the track so they could give the earnings to the Ochsner Clinic in New Orleans. Finally, I was able to get the track for them. The sale to the Pimlico group largely accomplished their purpose—the gift of a considerable amount of money to the clinic."

Despite his horse farm, his home in Washington, for which he has refused $75,000,

and a Washington business that puts him in a fairly high income bracket, Moore has the reputation of being a "slow payer" on some of his horse bills.

SON OF A RAILROADER

George Gordon Moore was born in Galveston, Tex., the son of a railroader who became president of a Texas railroad. He was schooled briefly in theology at St. Mary's Seminary at La Porte, Tex., then entered the wholesale grocery business. He met Frances (Mike) Doud, Mamie's younger sister, and they were married in Denver in 1940. They have two teenage daughters. Mrs. Moore has two older sons by a previous marriage.

A man of medium height, Moore has a ready smile and a handsome face under graying hair. He dresses neatly. His personality is easy-going, but like Ike, he has flashes of temper. He and Mrs. Moore are frequently guests at the White House and occasionally at Gettysburg. The Eisenhowers, in turn, have called at the Moore's Klingle Road home in Washington and at the Virginia farm. (Last year, Ike's use of the Presidential plane to fly Mamie and her sister, Mrs. Moore, to the plush Maine Chance beauty ranch in Arizona provoked a flurry of criticism.)

Moore spent 9 years in the Army during and after World War II. His operations in Washington began soon after he left the Army Quartermaster Corps in 1951, at a time when Eisenhower was being widely discussed as a Republican presidential possibility. As a brother-in-law of Mamie, Moore began to meet important people.

One of these was O. Roy Chalk, a self-made entrepreneur who headed Trans Caribbean Airways and presided over the Independent Military Air Transport Association, a group of small airlines specializing in hauling troops and military freight.

With Chalk's backing, Moore went to work for IMATA at the modest salary of $8,000. He was fired and rehired several times in a factional dispute. Some executives of the association wanted Moore out because they thought that the late Senator Robert A. Taft would lick Ike for the GOP nomination and that Moore's name then would be of slight value. Chalk, however, insisted that Moore retain the job.

Chalk finally left IMATA in a policy explosion. Moore followed him out and went to work for Chalk's Trans Caribbean. He became a vice president of the airline, but spent only a few months at the task.

In October 1952 as Eisenhower was driving toward election as President, Moore opened his own business in Washington. The business is that of factoring—or extending credit—to small airlines without much capital. The companies haul freight and troops for the military services, but have to wait 30 to 90 days to be paid. In need of capital, they borrow on the Government vouchers from Colonel Moore, who, in turn, borrows from the American Security & Trust Co. in Washington. Moore charges 1 percent for his services, and the bank, one-half of 1 percent. He makes approximately $40,000 a year from the factoring business.

EYEBROWS WERE RAISED

Moore's chief company was, and is, Air Transit Services, Inc., although he has several allied companies in the same field. Testifying before the House Subcommittee on Legislative Oversight, he said that about 85 percent of the business he handles for the airlines derives from Government contracts.

Moore gained an extension of credit from American Security & Trust through Robert C. Baker, then executive vice president and now president. Eyebrows have been raised in Washington over the fact that Moore made the arrangement without noticeable capital at a time when Ike was headed for the Presidency. Moore says there is another side to the story.

"It's true I didn't have any money when I came out of the Army," he said, "but what people forget is that Mrs. Moore did. Her mother, Mrs. Doud, is pretty well off. Also, if politics had so much to do with my credit in starting up in business, why did three banks—one in Washington and two in New York—turn me down? The fact is that it was a sound proposition, and American Security recognized it."

The White House once took official note of Colonel Moore's business connections. On April 13, 1954, it announced the corporate connections of 15 men invited to a Presidential stag dinner. Moore, identified as the president of Air Transit Services, Inc., was one of those listed.

At the time that he started his factoring business in October 1952, Colonel Moore also invested in U.S. Airlines, a faltering cargo carrier with a handful of old airplanes, half of which were damaged. Fred A. Miller, a former Flying Tiger executive, took over the company and installed Moore as a vice president and director. The company's stock was then selling at 24 cents a share. Moore also got the factoring business for the airline, the chief activity of which was hauling on Government contract.

In the same month that Moore became connected with the company, U.S. Airlines leased six C-46 planes from the Air Force's Air Materiel Command at $1,500 a month each. Moore was thus vice president of a company that hauled Government personnel and cargo on planes that it had leased from the Air Force. Moore said he had nothing to do with leasing the planes.

MOORE HELPED THE STOCK CLIMB

"I have been at the Air Materiel Command only once," he said, "and that was in trying to speed up payment for one of the airlines for which I was the factor. The papers were bogged down."

Moore's connection with the company helped its stock climb. It once got as high as 80 cents a share. Then, in 1953, U.S. Airlines went bankrupt, and its stock dropped to a fraction of a cent. Moore left the company around this time. Moore received $3,000 pay from the airline, but told the House subcommittee he lost about $2,500 on the stock.

In 1955, Moore became involved in two ventures in the Dominican Republic, which required the good will of Generalissimo Rafael Trujillo, the dictator of the little Caribbean nation. Moore got to know Trujillo and was entertained by him several times in Ciudad Trujillo, the capital city.

In Moore's first Dominican deal, he brought about 7,000 tons of raw, or so-called green, sugar into the United States. The value of this to Moore, acting as the broker, is not known. But he paid a legal retainer of $3,000 while doing it.

While Moore was in the Dominican Republic, he also became a good friend of Manuel de Moya, then Trujillo's righthand man and later Ambassador to the United States. Among other friends of Moore were two directors of National Airlines—his attorney, John Cross, and George W. Gibbs, Jr., a Jacksonville, Fla., shipyard contractor. The two men, in company with James H. Boyce of Baton Rouge, La., had contracted with the Dominican Republic to build a shipyard for Trujillo.

The irascible Trujillo became dissatisfied with Gibbs' handling of the shipyard and flew into a rage. De Moya suggested Moore as a replacement. Moore was summoned to the palace, where De Moya asked him to inform Gibbs that he was through. Reluctantly, Moore did so and was promptly installed as vice president of the shipyard. He stayed on the job 4 months and collected a fee of $8,000.

All this wheeling and dealing with the dictator of a foreign country, which was receiving U.S. aid from the Eisenhower administration, amazed some members of the House Subcommittee on Legislative Oversight. Under questioning, Moore admitted that he "did not know anything about a shipyard."

"Well," said Representative PETER F. MACK, Democrat, of Illinois, "for a man knowing nothing about a shipyard, I would think $8,000 was a fairly adequate fee."

Moore's name obviously had become valuable for business purposes. On September 30, 1955, the American Security & Trust Co. established a working relationship with the Central Bank of the Dominican Republic. Robert Baker of the bank, Moore's friend, wrote a letter to Trujillo, expressing appreciation for "this contact with your excellent country." He added: "Mr. Moore joins with me in extending to you our personal regards."

In the first Eisenhower term, there were some qualms among members of the White House staff about Moore's activities. After a Drew Pearson story about Moore, in which the columnist indicated that the relationship with Mamie Eisenhower was helping Moore's business, Sherman Adams, assistant to the President, called Moore and demanded an explanation.

Moore offered to open his records for inspection, and soon Government agents appeared to comb his books. This secret Government check apparently satisfied Adams. At any rate, he and Moore rode together to the Capitol in January 1958, to hear Ike's state of the Union message. Ironically, Adams himself resigned later that year after revelations that he had accepted expensive gifts from Bernard Goldfine, textile millionaire.

THE SUBCOMMITTEE WAS INTERESTED

Moore's friendship with three officials of National Airlines, Directors Gibbs and Cross and President George T. Baker, naturally brought him under scrutiny when the House Legislative Oversight Subcommittee began an investigation of the award of TV channel 10 in Miami to a National Airlines subsidiary by the Federal Communications Commission.

Bernard Schwartz, counsel of the subcommittee for a brief period, declared on February 17, 1958, that there were "numerous allegations in Florida" that Moore "was a key factor" in swinging Republican votes on the FCC to National Airlines for ownership of the TV channel.

Moore flatly denied any connection with the case, said he had never intervened on behalf of National Airlines and offered to let subcommittee investigators inspect his books. After the inspection, Moore appeared voluntarily before the subcommittee to answer questions.

No evidence was produced to show that Moore had intervened in the Miami case, but Representative MACK said later, "I think from our testimony it is clear that Mr. Baker depended heavily upon his friendship with Colonel Moore in his efforts to secure channel 10."

Moore told the subcommittee he avoided exerting political influence, but said he realized "people drop my name around in various places." He also conceded his name had commercial value. Of his position as an official of U.S. Airlines, Moore said, "In retrospect, I think they rather did not want me as much as they wanted my name."

When his friend Roy Chalk acquired control of the D.C. Transit System, Inc., he invited Moore to become a director of the company, which serves the Nation's Capital with bus and trolley transportation. Moore declined.

"He is a businessman," Moore told the House subcommittee, "and I think he probably asked me to be a director in D.C. Transit in the event he ever got involved with the Commissioners (of the District of Columbia) and wanted somebody to go down there to talk with them, I would have to do

it, and I said, 'No, I can't. I cannot be a director in D.C. Transit.'"

Moore said that his only connection with the purchase of the Washington transit system was making an introduction for Chalk. "He wanted to buy the D.C. Transit System, and I told him I knew the man who had the deal right on his desk, Bob Baker of American Security. I took Chalk around to the bank and introduced him. That was that. I didn't get any fee."

HE IS A BUSY MAN

In addition to his factoring business and the ventures already described, Moore has made money in a number of airline deals. In one operation alone, arranging $500,000, in financing for Resort Airlines, Moore received a fee of $15,000. In partnership with James Boyce, he owns two planes which are leased to airlines.

Moore is sensitive to charges that his closeness to the White House has helped his business.

"I talked to a columnist friend one day," he said. "I told him that I was operating a legitimate business and working hard. I asked him how I could stop these stories about me. He grinned and said, 'Divorce your wife and move out of town.' All I can say is I'll be glad when January 1961 comes and Ike leaves the White House."

It is no sin to make money. Perhaps George Gordon Moore would have done as well far removed from Washington and its fragile relationships of Government and business, but this course he did not pursue. The moral of the Moore story would seem to be this:

If a relative of the President's wife is willing to do business in the Nation's Capital with concerns holding Government contracts—and with a foreign government receiving U.S. aid—he is almost certain to do a thriving business.

In the case of *United Air Lines, Inc.* v. *Civil Aeronautics Board* (278 Fed. 2d 446) the U.S. Court of Appeals, District of Columbia Circuit, held that the Civil Aeronautics Board has violated the provisions of the Federal Aviation Act in certificating supplemental airline carriers. The decision of the court reads as follows:

Proceedings on petitions for review of orders of the Civil Aeronautics Board. The Court of Appeals, Prettyman, Chief Judge, held that certificates authorizing supplemental air carriers to operate between any point in any State of United States or in District of Columbia and any other point in any State of United States or in District of Columbia, with respect to persons and property, violated provision in Federal Aviation Act that certificate shall specify the terminal points and intermediate points, if any.

Order set aside and proceedings remanded.

1. Aviation ⟹75: Certificates authorizing supplemental air carriers to operate between any point in any State of United States or in District of Columbia and any other point in any State of United States or in District of Columbia, with respect to persons and property, violated provision in Federal Aviation Act that certificate shall specify the terminal points and intermediate points, if any (Federal Aviation Act of 1958, sec. 401(e), 49 U.S.C.A. sec. 1371(e)).

2. Aviation ⟹75: Certificates limiting the operations of supplemental air carriers to 10 flights each calendar month in same direction between the same 2 points violated provision in Federal Aviation Act that no term, condition, or limitation of certificate shall restrict right of air carrier to add to or change schedules (Federal Aviation Act of 1958, sec. 401(e), 49 U.S.C.A. sec. 1371(e)).

3. Aviation ⟹75; Constitutional Law ⟹77: If the requirements in Federal Aviation Act that air carrier's certificate shall specify terminal points and intermediate points of the operation, if any, and that certificate shall not restrict carrier's right to add to or change schedules interpose an insuperable obstacle to full development of supplemental air service, the problem is for Congress and the Civil Aeronautics Board should present it there, and the Board should not strike the requirements from the statute on ground that supplemental air service is in the public interest and that the overall statutory scheme and legislative history indicate an intention on the part of Congress to empower the Board to issue certificates when it finds certificates to be in the public interest (Federal Aviation Act of 1958, sec. 401(e), 49 U.S.C.A. sec. 1371(e)).

4. Statutes ⟹181(2): The courts cannot rewrite plain statutory terms, unless the inadvertent result of plain wording is absurd when applied to certain facts.

5. Aviation ⟹73: In provision in Federal Aviation Act authorizing Civil Aeronautics Board to issue to air carrier a certificate authorizing the whole or any part of the transportation covered by the applicant if the Board finds that the applicant is fit, willing and able to perform such transportation properly, the word "such" refers to the transportation authorized by the certificate (Federal Aviation Act of 1958, sec. 401(d)(1), 49 U.S.C.A. sec. 1371(d)(1)). (See publication "Words and Phrases," for other judicial constructions and definitions of "such.")

6. Aviation ⟹73: In proceeding on application of supplemental air carrier for certificate to operate between any two points in United States, the Civil Aeronautics Board could consider going-concern status and financial position of carrier only insofar as such status and position indicated qualification for the authorized operation (Federal Aviation Act of 1958, sec. 401(d)(1), 49 U.S.C.A. sec. 1371(d)(1)).

Mr. Robert L. Stern, Chicago, Ill., with whom Mr. William M. Dickson was on the brief for petitioner in No. 15025, argued for all petitioners. Mr. James Francis Reilly, Washington, D.C., also entered an appearance for petitioner in No. 15025.

Mr. E. Smythe Gambrell, Atlanta, Ga., was on the brief for petitioner in No. 15027.

Messrs. Robert C. Barnard, Washington, D.C., and John C. Pirie, New York City, were on the brief for petitioner in No. 15032.

Mr. J. D. Feeney, Jr., Chicago, Ill., was on the brief for petitioner in No. 15034.

Mr. James K. Crimmins, New York City, was on the brief for petitioner in No. 15035. Mr. James D. Simpson, New York City, also entered an appearance for petitioner in No. 15035.

Messrs. Howard C. Westwood and William H. Allen, Washington, D.C., were on the brief for petitioner in No. 15045. Messrs. Gerry Levenberg and Alfred V. J. Prather, Washington, D.C., also entered appearances for petitioner in No. 15045.

Mr. R. S. Maurer, Atlanta, Ga., was on the brief for petitioner in No. 15047. Messrs. Joseph J. O'Connell, Jr., Robert Reed Gray and James W. Callison, Washington, D.C., also entered appearances for petitioner in No. 15047.

Mr. C. Edward Leasure, Washington, D.C., was on the brief for petitioner in No. 15050.

Mr. Richard A. Fitzgerald, Washington, D.C., was on the brief for petitioner in No. 15051. Mr. Andrew T. A. MacDonald, Washington, D.C., also entered an appearance for petitioner in No. 15051.

Mr. O. D. Ozment, Associate General Counsel, Litigation and Research, Civil Aeronautics Board, with whom Mr. Franklin M. Stone, General Counsel, Civil Aeronautics Board, Mr. John H. Wanner, Deputy General Counsel, Civil Aeronautics Board, Mr. Robert L. Toomey, attorney, Civil Aeronautics Board, and Mr. Richard A. Solomon, attorney, Department of Justice, were on the brief, for respondent.

Mr. Albert F. Beitel, Washington, D.C., who was on the brief for intervenor, Modern Air Transport, Inc., and certain other intervenors, argued for all intervenors.

Mr. Dewitt T. Yates, Washington, D.C., was on the brief for intervenor, U.S. Overseas Airlines, and also entered an appearance for intervenor, Supplemental Air Carrier Conference, in Nos. 15034, 15035, and 15045. Mr. Henry F. Eaton, Washington, D.C., entered an appearance for intervenors, U.S. Overseas Airlines and Supplemental Air Carrier Conference in Nos. 15034, 15035, and 15045.

Before Prettyman, chief judge and Wilbur K. Miller and Fahy, circuit judges.

Prettyman, chief judge.

[1] This is another phase of the problem of the supplemental air carriers.[1] The Board decided to certificate in this service those carriers which qualified for certification under its views of the criteria for qualification. Accordingly it issued certificates to certain of our intervenors here (order No. E-13436). Those certificates purported to authorize operation "[b]etween any point in any State of the United States or in the District of Columbia, and any other point in any State of the United States or in the District of Columbia, with respect to persons and property."

The authority to issue certificates is conferred on the Board by section 401 of the Federal Aviation Act of 1958.[2] Paragraph (e) of that section provides in part:

"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; * * *."

It seems plain beyond possibility of debate that a blanket authorization to operate between any two points in the United States is not a specification of the terminal points and the intermediate points, if there be any intermediate stopping points, of the operation. The legislative history supports this clear reading.

[2] The certificates issued here also contained a limitation of the operation to 10 flights each calendar month in the same direction between the same 2 points. Section 401(e) of the act contains this provision: "No term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules * * *." Failure of these certificates to observe this prohibitive restriction seems clear.

[3, 4] The board and the intervenors argue that supplemental air service is in the public interest and that the overall statutory scheme and the legislative history indicate an intention on the part of the Congress to empower the Board to issue certificates when it finds certificates to be in the public interest. But these generalities of intent and history cannot strike from a statute peremptory, unambiguous directives. If the requirements of section 401(e) interpose an insuperable obstacle to the full development of supplemental air service, which they may well do, the problem is for the Congress. The Board should present it there. The courts cannot rewrite plain statutory terms, unless the inadvertent result of plain wording is absurd when applied to certain facts.

[5, 6] Section 401(d)(1) of the act provides that "the Board shall issue a certificate authorizing the whole or any part of the transportation covered by the application, if

[1] Large Irregular Carriers, Exemptions, 11 C.A.B. 609 (1950); *American Airlines* v. *Civil Aeronautics Board*, 98 U.S. App. D.C. 348, 235 F. 2d 845 (D.C. Cir. 1956).

[2] 72 Stat. 754, 49 U.S.C.A. sec. 1371.

it finds that the applicant is fit, willing, and able to perform such transportation properly * * *."

The Board gave the same nationwide cargo and passenger authority to each of the applicants to which it issued certificates. In many instances the prior operations of individual applicants had been small or specialized, and in many instances the financial resources, adequate for the types of operations theretofore conducted by the carriers, were obviously inadequate for operations of the scope authorized by the certificates.

The Board argues that it gave weight to going-concern status (which petitioners call the renewal aspect) and careful consideration to the carriers' financial position and managerial makeup. But we think some effect must be given the word "such" in the above-quoted part of section 401(d)(1). The applicant must be found fit, willing, and able to perform "such" transportation, obviously referring to the transportation authorized by the certificate. Since these certificates were nationwide in scope and broad in authority, the qualifications of the applicants for that sort and kind of operation is the statutory prescription. Within that general concept, going-concern status and financial positions are important considerations. But they must be considered only insofar as they indicate qualifications for the operation authorized in the certificate. Those considerations in less expansive measure might well be the criteria for more limited certifications.

The Board says that, based upon experience with these carriers, it determined that authority for these supplemental operations need not, and should not, be parceled out in limited segments of the overall supplemental picture. The Board says it concluded that the certification of a number of carriers, left basically free to pick and choose for themselves the phases of the program in which they would operate, would best meet the needs of the public. But the Congress put into its statute clear requirements as to certificates, and those requirements for specified terminal points and intermediate points, if any, are counter to the sweeping pick-and-choose concept which the Board says guided it. It may be that the supplemental air carrier problem had not fully developed when the original statute was enacted,[3] or it may be that Congress meant the pattern to be precisely as it delineated it, but in either event a scheme of certification different from the one Congress spelled out is a problem for the Congress.

We do not have before us in the present case exemption authority under section 416 of the act and so express no opinion on that matter.

The orders of certification embraced in Board order No. E-13436 must be set aside and the proceedings remanded.

The petitions for review also include an order of the Board[4] which denied petitioners' motions for reconsideration of the orders of the Board entered in 1955.[5] Those orders were set aside by this court in *American Airlines* v. *Civil Aeronautics Board*.[6] But the Board says its underlying findings of a public necessity for a supplemental air service were not disturbed by this court's opinion and decision, and remain available as a premise for its new order[7] granting the certificates. Petitioners say the statute requires a finding of public convenience and necessity for each grant of a certificate, i.e., for each certificated carrier. They therefore say the Board is required to reopen its old orders on this issue. Since we hold that the certificates granted are not authorized, we do not reach the question of the sufficiency of the underlying findings. Moreover we think it is not necessary that the Board reopen the old orders to supply a lack, if any there be, in whatever new orders the Board may issue. The sufficiency of the support of any such new orders must depend upon the nature and extent of the support upon which the Board then relies. That question will arise if such orders are entered and are attacked. We intimate no opinion upon that issue. We regard the problem posed by the challenge to order No. E-13435 as not now before us, in view of our action in respect to the principal order under review, the order granting the certificates.[8]

Order No. E-13436 set aside and proceedings remanded.

Fahy, circuit judge (concurring in the result and generally in the opinion).

I agree that the order of certification must be set aside and the case remanded. I also agree with the opinion of the court except that I think the Board had adequate basis in the record to find, in accordance with section 401(d)(1) of the act, that the applicants were fit, willing and able to perform the transportation properly.

Furthermore, House Report 1177, above cited, states:

The so-called certificates issued by the Civil Aeronautics Board to the supplementals were illegal. This illegality was not a mere technical infraction of the act. It was fundamental.

In the United Airlines, Inc., against Civil Aeronautics Board case, above cited, the court says:

The Board argues that it gave weight to going-concern status (which petitioners call the renewal aspect) and careful consideration to the carriers' financial position and managerial makeup.

That the CAB has not applied a stringent test of financial solvency to applicants for supplemental air carrier certificates is evident in the following hearing transcript of the CAB, docket No. 9703–9714, July 24, 1958:

DOCKET NO. 9703–9714

(Civil Aeronautics Board hearing transcript, July 24, 1958)

IN THE MATTER OF U.S. AIRCOACH AND MELVIN N. CHAPMAN, DOCKET NO. 9703–9714

The above-entitled matters came on for hearing pursuant to notice, at 10 o'clock a.m.

Before Leslie G. Donahue, examiner.

Appearances:

Albert F. Beitel, 730-15th Street, N.W., Washington, D.C., appearing for U.S. Aircoach and Melvin N. Chapman.

Herbert Elish, Civil Aeronautics Board, representing the BAO.

PROCEEDINGS

Examiner DONAHUE. We will be in order, gentleman.

The Board by notice has directed that a hearing be held at this time and place in docket No. 9703 entitled "In the Matter of the Application of U.S. Aircoach for an exemption. (To lease an airplane from a person engaged in a phase of aeronautics) for approval of interlocking relationships and in the alternative for a waiver," and also in docket No. 9714 entitled "In the Matter of the Application of Melvin N. Chapman for approval of control under Section 408 of the Civil Aeronautics Act of 1938 as amended."

Are you ready to proceed, gentleman?

Mr. BEITEL. We are ready.

Mr. ELISH. I have one matter. Attorney for the applicant did not answer all the requests for evidence of bureau counsel. I have spoken to counsel, and informed him that we are ready to proceed on the understanding that those requests will be answered on direct examination.

Mr. BEITEL. It was easier to do it on direct examination than it was to prepare exhibits.

Mr. ELISH. I just wanted to make that perfectly clear. I have no complaints.

Examiner DONAHUE. Mr. Beitel, you may proceed.

Mr. BEITEL. We will call Mr. Chapman as our witness. May he be sworn?

Melvin N. Chapman was called as a witness, and after first being duly sworn, was examined and testified as follows:

DIRECT EXAMINATION by Mr. BEITEL:

Question. For the record, will you state your full name and address?

Answer. Melvin N. Chapman, 52 Basswood Road, Levittown, Pa.

Question. Are you the applicant in docket No. 9714?

Answer. Yes.

Question. Have you read the applications in docket 9703 and 9714?

Answer. Yes.

Question. Is the information contained in those applications true and correct to the best of your knowledge and belief?

Answer. Yes.

Mr. BEITEL. Mr. Examiner, at this time we would like to have marked for identification exhibits Nos. U.S. 1 through U.S. 8, which have been previously distributed.

Examiner DONAHUE. Exhibits U.S. 1 through 8 may be marked for identification.

(Exhibits U.S. 1 through 8 were marked for identification.)

Mr. BEITEL. I will give the original to Mrs. Beebe, and here is a duplicate set.

By Mr. BEITEL:

Question. Were exhibits U.S. 1 through U.S. 8 inclusive prepared by you or under your supervision and direction?

Answer. Yes, sir.

Question. Is there a correction to be made on exhibit U.S. 8?

Answer. Yes.

Question. What is that correct?

Answer. The articles provide for 25,000 shares of stock, or authorize 25,000 shares of stock. There are only 15,000 shares issued.

Question. With that correction, is the information contained in the exhibits true and correct to the best of your knowledge and belief?

Answer. Yes.

Question. Mr. Chapman, did you resign as an officer, as president and director of U.S. Aircoach?

Answer. Yes.

Question. And was that resignation accepted by the corporation?

Answer. Yes, sir.

Mr. BEITEL. Mr. Examiner, I have here a certified copy of the resolution showing the resignation of Mr. Chapman, and his reelection subject to the approval of the Board. Would you want that in exhibit form, or should I just present it to bureau counsel to examine at this time?

Mr. ELISH. I see no reason why it shouldn't be put into the record, if you can dispense with that copy.

Mr. BEITEL. If you will allow me to withdraw it, I will submit two copies for the record and a copy to bureau counsel and to the examiner.

Examiner DONAHUE. Do you wish to mark it for identification?

Mr. BEITEL. May it be marked for identification as "U.S. 9"?

Examiner DONAHUE. It will be so marked, and you have permission to withdraw it temporarily for purposes of duplicating it.

(Exhibit U.S. 9 was marked for identification.)

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[3] The predecessor statute, the Civil Aeronautics Act of 1938, did not differ in pertinent part from the current act.

[4] Order No. E-13435.

[5] Orders Nos. E-9744 and E-9884.

[6] 98 U.S. App. D.C. 348, 235 F. 2d 845 (1956).

[7] Order No. E-13436.

[8] Order No. E-13436.

By Mr. BEITEL:

Question. Mr. Chapman, are you now an officer, director, partner, trustee, receiver, manager, attorney, agent, or controlling stockholder or employee of any business?

Answer. I am not.

Question. Can you describe what in your opinion the public benefits are which will be gained from the approval of the applications which are filed here?

Answer. At this time, it will give the military an additional supplemental air carrier to use for the movement of troops. It would also allow the U.S. Government to settle the claim the General Accounting Office has against U.S. Aircoach. I have made those arrangements with the General Accounting Office, they have released a stop order on the payments, and I have told them that I will submit substantiating data on the several flights in question that payments were made upon, and after that period whatever amount is left we will make a settlement with the General Accounting Office.

Question. As I understand it, Mr. Chapman, you have told the Government Accounting Office that all claims which the Government Accounting Office has against U.S. Aircoach will be paid by U.S. Aircoach out of the profits to be gained from the operation?

Answer. That is correct. We have substantiating data for approximately 90 percent of the claim, and the balance will be paid out of the operating profits.

Question. How much is the claim of the General Accounting Office?

Answer. $125,000.

Question. Have you examined the records of U.S. Aircoach to determine whether or not there is substantiating data available which will show that some or all of that claim is not actually a valid claim?

Answer. I have examined the records to the extent that I feel that we can substantiate at least $115,000 of the claim.

Question. Do you know of any other companies which have had claims in similar amounts presented by the General Accounting Office where they have been able to substantiate large percentages of the claims?

Answer. I believe that all of the regular carriers had these claims against them, and Mr. Forte, at the General Accounting Office, has verified the fact that most of the carriers were able to substantiate up to 90 percent of the claims which the General Accounting Office had against them.

Question. Is that because the form in which the original bills were sent to General Accounting Office did not have the necessary documentation to allow approval of the charge by the General Accounting Office?

Answer. At that time, they did not require flight papers to substantiate the charter agreements and show that the flights had been performed as bid.

Question. Well, then, the substantiation of the claim amounts to showing the General Accounting Office that the flights were performed in accordance with the charter agreements?

Answer. That is correct, to substantiate the ferry mileages, which is the greatest question in most of these cases.

Question. Is any of the stock of U.S. Aircoach under pledge at the present time?

Answer. The entire amount of the stock is pledged at this time to Flying Tiger Line—

Question. First, by whom is it pledged?

Answer. Pledged by Fritz Hucheson.

Question. And to whom is it pledged?

Answer. To the Flying Tiger Line.

Question. And what are the circumstances surrounding the pledge of that stock?

Answer. The main outstanding obligation, aside from GAO, is to the Flying Tiger Line. There is a claim in excess of $78,000 plus interest that is in litigation at present in the courts of California.

Q. Now, Mr. Chapman, turning to another subject, in the applications filed in this proceeding, a request was made for a waiver from the nonoperating provision of order 9744, that is the appendix to the decision in docket 5132 which states that if a carrier does not have revenue flights during two consecutive calendar quarters, his letter of registration or operating authority will be subject to revocation. Why did you request a waiver from that provision of the order?

Answer. Due to the fact that the Board did not allow the exemption to go through before the 30th, and we had to have a hearing——

Question. You mean the application for an exemption to lease the airplane?

Answer. To lease the aircraft. We then requested a waiver to cover this period of nonoperation due to our delay because of the Board hearing.

Question. Will you state the reasons for there being two leases, one to you and one from you to U.S. Aircoach rather than only one lease from International Aircraft Maintenance Co. to Aircoach?

Answer. Yes, because in the lease from International Aircraft Maintenance through myself there is a provision to build up equity in the aircraft. At this time, through the claims against U.S. Aircoach, we did not desire to put an aircraft into the company that would build up assets. At such time as these claims are settled, then the aircraft will be turned over to U.S. Aircoach when the equity is built up.

Question. Will you describe all of the operations of U.S. Aircoach from July 1, 1957, to date?

Answer. The records I have examined show there was one flight performed on the 17th of October, 1957. It was a charter by Great Lakes Airlines from Burbank to San Diego, carrying 20 passengers, flown by a U.S. Aircoach crew. The revenue, I believe, was $120. Exhibit U.S. 6, which is the balance sheet, shows that the revenue was $120. The operating expenses were a total of $306.58, leaving minus $186.58 operating income. The airplane was leased, and a lease was filed with the Board and had a provision for the lease to be canceled, and shortly after the flight was made—the airplane had been leased from Standard Airways, and shortly after the flight was made the plane was sold by Standard. It was a DC-3 airplane.

Question. Since then the company has had no operation whatsoever?

Answer. That is correct.

Question. What portion of your time will you devote to the operation of U.S. Aircoach?

Answer. Full time.

Question. Mr. Chapman, do you believe that the operation of U. S. Aircoach under your management can result in a profitable operation?

Answer. I do believe that it can.

Question. Would you explain, please, to Bureau counsel and the examiner why you believe you will be able to make a profit through the operation of this company?

Answer. I am going to devote my full time to it. The previous management was engaged in other businesses, such as the lumber business and things such as that, and was not devoting proper time to the business. I have been in aviation as a pilot, I had a flight school at one time, and have managed aviation businesses, off and on for the past 19 years. I am familiar with the CAM operations having flown them when I was a captain for Mohawk. I have flown as a captain with Meteor, and I have also flown some CAM operations with Capital Airways, and I believe from the operating standpoint that I will be able to successfully operate the company in this type of operation.

Examiner DONAHUE. That is with the one aircraft that you have a lease upon?

The WITNESS. Yes, and we had hoped to acquire additional aircraft, but the situation that has arisen in the past 2 weeks has made it very difficult, evidently, to secure additional aircraft at a favorable rental agreement.

Examiner DONAHUE. But in stating that the company could be operated profitably, you believe that is so with the one aircraft that you have under lease?

The WITNESS. I certainly do, or I wouldn't be contributing my full time in such an enterprise.

By Mr. BEITEL:

Question. I think what the examiner would like to have is a statement from you as to whether or not any other company has been able to operate with one airplane.

Answer. There are various companies that have started with one plane—Associated Air Transport last year started with one airplane. I believe Arctic-Pacific up to recently operated with one DC-3.

Question. And have those companies——

Answer. Those companies have stayed in business and have operated profitably.

Mr. BEITEL. There is one other point, Mr. Examiner. I would like the record to reflect the fact that in docket 5132, Examiners Wisir and Walsh, U.S. Aircoach, the applicant here, was found qualified for examination.

Examiner DONAHUE. The examiner will take official notice of the decision of Messrs. Wisir and Walsh.

Mr. BEITEL. That completes the direct examination of the witness. Should I offer my exhibits at this time?

Examiner DONAHUE. After cross-examination.

Do you care to cross-examine, Mr. Elish?

Mr. ELISH. Yes.

Cross-examination by Mr. ELISH:

Question. Mr. Chapman, could you please tell us where the principal business of U.S. Aircoach will be under your management?

Answer. The operation definitely will be started at Burbank, Calif., the reason for that being that all of the present company operated at Burbank, the CAA office is familiar with the past operation of U.S. Aircoach. We will be able to reactivate the company with the same times on the aircraft engine, and so forth, that previously were allowed. If we started in another region, we would experience much greater difficulty, because we would be a new operator, the company would be a brandnew operator in that region we were activated in.

Question. Is it true that U.S. Aircoach will be virtually a new operator at this time since it hasn't been operating to any degree, any substantial degree, for quite a bit more than a year?

Answer. To some extent, except that the same type of equipment will be operated as previously was being operated.

Question. Couldn't the same type of equipment be operated at a different location?

Answer. Yes.

Question. Do you think that there is any good will remaining which goes to the company at this time even though it hasn't been operating for better than a year?

Answer. Yes.

Question. Would you please turn to exhibit No. U.S. 3? You state there that you were employed by Mohawk Airlines as an airline pilot, and the above-described activities ceased. Could you please tell us when?

Answer. I was employed by Mohawk the 12th of December 1949, as a copilot. I became a captain with Mohawk, I believe, in 1951 and continued in that capacity until I resigned November 15, 1955.

Question. Can you tell us the reasons for your leaving?

Answer. They were more or less personal. I had marital difficulty and decided to leave.

Question. Under the heading "October 1956" you state that Chapman Air Service bought and sold aircraft and engine parts. Could you tell us the people to whom you

sold and from whom you bought these aircraft and parts?

Answer. At that time I made various trips to India, ferrying and returning surplus military aircraft to American Air Motive at Miami; I also had a ferry trip from Formosa to Miami for Delta Airlines, and on one of the C-46 aircraft they had purchased. On one of these trips, if I had the opportunity, I would purchase surplus radio or aircraft equipment that would be available and sell it to various people, dealers around the Miami Airport. I sold radio equipment to Little, I sold some DC-3 parts to Aaxico. They actually were small amounts, but we included it because there actually will be transactions in various surplus aircraft parts.

Question. Are you presently employed at this time in any capacity other than with U.S. Aircoach?

Answer. I was flying as a captain for Quaker City up until the 16th or 17th of this month.

Question. Of July?

Answer. Of July.

Question. And you resigned that position?

Answer. Right. I have severed all connections with them at this time.

Question. Would you please turn to exhibit U.S. 6, financial statements of U.S. Aircoach. May we assume that the financial statements, or the balance sheet is the same as of this date as it was on December 31?

Answer. Yes, from my inspection of the books, and I filed a third-quarter report that indicated that the balance sheet is the same, is still existing.

Question. Would you please refer to the listing under "Assets," the entry for the supplemental air carrier certificate of $150,000. Would you please explain why you believe this certificate is worth that much?

Answer. This certificate has been carried on the books at $150,000 valuation. I believe other carriers have carried them for as high as a million dollars.

Question. Do you believe that this is a fair figure?

Answer. Until docket 5132 is decided, it is difficult to answer that question, but at this time I would say "yes."

Question. If I would tell you that none of the other supplemental carriers at this time carry the certificate on their books at any valuation whatsoever, would you still say that this was a fair valuation?

Answer. At this time, as hard as I have tried to get into the business, to obtain an operating right, I feel that it is a fair valuation as far as I am concerned.

Mr. ELISH. I will ask the examiner to take official notice of the form 242 reports of supplemental carriers which will show that this certificate, this type of certificate is not carried at any asset valuation whatsoever.

Examiner DONAHUE. I will take notice of them. For what period of time? The last filing?

Mr. ELISH. The last quarter.

By Mr. ELISH:

Question. Under notes and accounts receivable, you have a listing, an entry of $46,394.19. Will you please explain what the nature of that account is?

Answer. These are various notes, various accounts receivable that have been carried forward on the books of the corporation that had not been collected. They were on the books at the time I inspected them. They have been entered on this last report. It is possible that some of them will be uncollectible items.

Question. Have you checked into them to see exactly what they were?

Answer. If we are successful in getting approval on this, we are having an auditing firm come in and audit the entire set of books and records to try to see how much of this can be recovered.

Question. Do you know how long these accounts have been carried on the books?

Answer. Some of them, some of the accounts are through 1952, 1953, and 1954.

Question. And do you know the last date on which, or the approximate date on which an account receivable was collected?

Answer. I do not know.

Question. Was it within the last year?

Answer. There have been no financial transactions in U.S. Aircoach in the last year, with the exception of the one flight that was made on October 17, 1957.

Question. In other words, as far as you know, it could be that all of these accounts will be noncollectible accounts?

Answer. That is possible.

Question. Would you please explain what the entry for $357.29 in flight equipment represents?

Answer. Yes; some spare instruments, parts, and so forth.

Question. Now, turning to the notes and accounts payable, could you please describe in full that entry?

Answer. The $78,396.41 is mainly the obligation to the Flying Tigers which is in litigation. There is also an account of $1,100 to Al Forsythe for tariffs.

Question. Would you please tell us who Mr. Forsythe is?

Answer. The tariff agent in Washington who represents U.S. Aircoach in the filing of its tariffs.

Question. Is that the only—are those the only accounts there are?

Answer. There is another account which is possibly in dispute on insurance in the amount of $15,222.

Question. Is that the Brown Co.?

Answer. That is the Brown Co., and at this point we can't even locate Mr. Brown or his company.

Question. How about the claim of the General Accounting Office?

Answer. That claim is for 125. That is in dispute also. Why it was not listed on this report, I don't know.

Examiner DONAHUE. That is $125,000?

The WITNESS. That is right.

By Mr. ELISH:

Question. In other words, the liabilities of the company should be increased by approximately $150,000 from what they are listed here?

Answer. Well, with the exception that we have the flight papers and documentary evidence which we feel is going to substantiate $115,000 to $118,000 of the $125,000 GAO claim.

Question. Then at least it would be increased by $35,000—the $10,000 to the GAO, the $11,000 to Mr. Forsythe, and the $15,000 to the Brown Co.——

Answer. I would say it is closer to $7,500 to GAO, at least from my inspection at this time. Mr. Forsythe has already offered to settle for $1,100.

Question. He has already agreed to that?

Answer. Right, and from the last efforts that Mr. Hucheson made to settle the Brown Co. claim, Mr. Brown went out of business and it appears he was willing to settle for somewhere between $500 and $1,500 for his claim.

Question. But you have not contacted him?

Answer. I have made every effort to contact him. We know he is in the employ of Boeing, I have traced him to Cape Canaveral, Fla., and there the Boeing Co. refuses to give information as to his address or whereabouts.

Question. Would you please explain how this $125,000 claim of the GAO came about specifically?

Answer. Yes, through unsubstantiated ferry mileage.

Question. In other words, you knew these flights and they refused to pay this amount of money?

Answer. U.S. Aircoach knew these flights, and U.S. Aircoach was paid, and then later on, in an audit, flight papers did not substantiate the various amounts of ferry mileage that had been flown. I believe you are familiar with the fact that this happened to be almost the entire supplemental air carrier group.

Question. And your agreement with the GAO is that you will pay the amount remaining out of the profits which you will make from U.S. Aircoach?

Answer. That is correct. We are going to start supplying them with the proper flight papers, and at such time as all of the flight papers and records have been introduced and they have agreed to accept them—we realize there will be some there will be arbitration over—then we will settle the remaining amount.

Question. You mentioned a stop order in your direct examination. Will you please explain the nature of that and its status at this time.

Answer. Yes. U.S. Aircoach and its previous management had made no effort to work with the GAO in the settlement of this claim. They had not submitted flight data, and they had been uncooperative to a high degree. The GAO as a result of new management was willing to—the GAO put a stop order on all Government payments to U.S. Aircoach. On the basis of the new management and operation, GAO was willing to lift the stop order to allow U.S. Aircoach to go back into operation so we could substantiate the claim and pay off whatever balance there was.

Question. Will you tell us what at this time your personal current investment in U.S. Aircoach is?

Answer. My personal investment to this date would consist of my travel expenses between—I have had approximately 6 or 7 trips to the west coast, and my attorney fees. I could give an approximate figure, if you want a figure.

Question. There is no more than that, just your expenses and attorney's expenses?

Answer. That is correct.

Question. Turning to exhibit U.S. 5, page 1, would you please explain what the price for the stock of U.S. Aircoach was that you agreed with Mr. Hucheson about?

Answer. Yes, I am making a settlement with Flying Tigers whose releasing—originally the Flying Tiger claim was against both Hucheson and U.S. Aircoach. I am making a settlement with Flying Tigers, and I am giving Mr. Hucheson notes in the amount of $15,000 for his remaining interest in U.S. Aircoach.

Question. How much are you going to settle the claim with Flying Tigers for?

Answer. At this time, the discussions with Mr. Benniger——

Question. Would you tell us what his position is?

Answer. He is executive vice president and treasurer of the Flying Tiger Lines. He has indicated that he will settle this for an amount in the vicinity of $15,000, his reason being that there aren't any assets in U.S. Aircoach that they can acquire even if they are successful in the final analysis in this litigation.

Question. How will you pay this $15,000?

Answer. I have arranged for a loan from the American Security & Trust, subject to the CAB approval of my acquisition.

Question. Would you tell us what the terms of that loan are?

Answer. Yes, it is a loan set up in such a manner that the TR's issued by the military are to be factored——

Mr. BEITEL. When you say "TR," you mean "transportation request" against which the Federal Government will pay money to the carrier when presented to the Government for payment?

Answer. Yes. They will be factored by air transit services. We have an arrangement whereby air transit services will deduct 10 percent from the TR's to repay the note at the American Security.

By Mr. ELISH:

Question. In other words, 10 percent of your revenue from flying for the Government will go to paying off the loan?

Answer. That is right, but this money, actually this is a judgment, and as I understand it, it is definitely—I am more or less loaning this money, making the money available for the settlement of this claim, and that is the reason it is being set up in this manner, that 10 percent of the TR's will repay the loan.

Question. Could you please tell us what arrangements you have with Mr. Hucheson for paying off your note to him?

Answer. It will be a note, a 1-year note that is renewable at 6 percent intereest.

Question. And what is the collateral for that note?

Answer. He at this point—to go back further, his attorney fees and obligations were very high in the Flying Tiger claim and he is willing to accept this as his opportunity to recover part of his investment in U.S. Aircoach and his attorney fees up to this point. He was not interested in operating U.S. Aircoach because of his interest in a lumber mill and other enterprises. That is his reason.

Question. What is the collateral on the loan, for the loan from American Security?

Answer. I have two R-2800-C engines.

Question. Are they your personal property?

Answer. Those are my personal property.

Question. Free and clear?

Answer. Free and clear.

Question. Unencumbered?

Answer. Unencumbered.

Question. The contract between you and U.S. Aircoach states that Mr. Hucheson will sell all of his right, title, and interest in U.S. Aircoach to you; is that correct?

Answer. That is correct.

Question. Your application states that you will acquire 51 percent of the stock of U.S. Aircoach.

Answer. In the original application, that was at the time of the agreement, I was going to settle the Flying Tiger claim, that was 51 percent. Since that time, the work involved with GAO, with you people, he has been willing to relinquish his entire stock of U.S. Aircoach to me for this additional $15,000.

Question. In other words, the consideration that you are paying to purchase all, complete interest in U.S. Aircoach is a note for $15,000 to Mr. Hucheson plus the settlement of the claim of Flying Tiger for approximately $15,000?

Answer. That is correct. It will not be less than $15,000, but it will be in the neighborhood of $15,000.

Question. At what time will Flying Tiger relinquish its claim on the stock of U.S. Aircoach?

Answer. At such time as I provide the cash or certified check to satisfy them, and that I can't obtain from American Security & Trust until I have approval in this case.

Question. Mr. Hucheson will still serve as director of U.S. Aircoach?

Answer. At this time, because he is the only one who is still familiar with the operation and the people who we will be in business with, as far as maintenance, and getting office space at the Burbank terminal, with the CAA, and so on, we felt we would keep him in that capacity. He will not be devoting full time to it, but only such time as is necessary to aid me in setting up the operation.

Question. He will also be vice president; is that correct?

Answer. At this time; yes.

Question. Will he receive any salary for his function?

Answer. There isn't any salary set up for him at this time.

Question. Do you intend giving him any?

Answer. I asked him if he would undertake this—I realize I have a big effort ahead of me, and he was willing to help me part time until we got started and established, so we will carry him as vice president.

Question. On page 2 of exhibit U.S. 5, Mr. Hucheson states that in the contract the only claims against the corporation are those of GAO, the Brown Co., and A. Forsythe. Shouldn't the Flying Tiger Line be included in that list?

Answer. No, because at such time as he executes this sale, it will be after approval of the Board, and when the Board gives approval, I can satisfy the Flying Tiger claim. In other words, he will not execute this until such time as the Flying Tiger claim is satisfied.

Question. It is a vicious circle.

Answer. It certainly is.

Question. What was the nature of the claim of the Flying Tiger Line in view of your statement the claim was against both Mr. Hucheson and the corporation?

Answer. Due to the fact that there weren't any assets in U.S. Aircoach, Flying Tiger Line filed a claim against both U.S. Aircoach and its only stockholder, Mr. Hucheson.

Question. Can you tell me how the Flying Tiger claim arose?

Answer. Yes. As a result of maintenance. The Flying Tiger Line at the time of this operation, when it went into debt so badly, was leasing aircraft to U.S. Aircoach. From the record it indicates that U.S. Aircoach had 27 engine failures in a period of 30 days. Flying Tiger was still charging for the maintenance they did at that time. It would seem to me if I had been in management at that time I would have had a suit filed the other way.

Mr. BEITEL. Might I ask a question there? I don't think your question was fully answered. That was the claim against U.S. Aircoach?

The WITNESS. Yes.

Mr. BEITEL. How did the Flying Tigers assert a claim against Hucheson personally?

Mr. ELISH. My understanding was that the original arrangement with Flying Tiger was one whereby Mr. Hucheson signed the agreement personally because U.S. Aircoach had no assets; is that correct?

The WITNESS. I believe that is correct.

Mr. BEITEL. All right.

Mr. ELISH. That was my understanding.

The WITNESS. There weren't any assets for them to recover, so when they sued they sued the principal stockholders.

By Mr. ELISH:

Question. In exhibit No. 5, page 3, the release, what claim would Mr. Hucheson have against U.S. Aircoach that this release took care of?

Answer. There aren't any claims. This is the general release Mr. Beitel drew up in the event at a later date he should try to make any claim or hold any claim against U.S. Aircoach.

Question. But there are none to your knowledge?

Answer. There are no claims carried on the books at this time.

Examiner DONAHUE. Has he ever asserted any claim to your knowledge?

The WITNESS. No, he has not. He has said he has no claims, but we wanted it to be taken care of in this manner.

By Mr. ELISH:

Question. In exhibit U.S. 5, page 4, the last sentence on the page reads that he—I assume that is Mr. Hucheson; no, that is Mr. Chapman—has agreed to settle all claims against U.S. Aircoach in such manner that the present owner, I assume that is Mr. Hucheson, will not be personally liable.

Answer. Yes.

Question. Does that have reference to the Flying Tiger claim solely?

Answer. Flying Tiger, GAO, and the Brown Co. Mr. Hucheson does not want to find himself involved in any proceeding he has been in in the last 3 years, as well as the stipulation that any action we have to take will secure the fact there will be no claims against him personally.

Question. In exhibit U.S. 7, you speak of your plans for the future operation. I ask you to read into the record the first paragraph of the letter from Ellen Pinney, written to the Chairman of the Board on March 19 of this year, referring to the difficulty of operating a supplemental air carrier, and ask about your views of this statement.

Answer. The first paragraph?

Question. Yes.

Answer. You want me to read that?

Question. Yes, please.

Answer. "U.S. Aircoach as a certificated supplemental air carrier has in the past year since the cessation of operation under Board order attempted to find an economically feasible operation which would be acceptable to the Civil Aeronautics Board. As you and other members of the Board are well aware from the required carrier reports when a supplemental air carrier goes into a full transcontinental feeder-type operation under the allowable 10 trips per month between any 2 given points, it operates primarily under contract to the military, and a sizable amount of operating capital is necessary before an operation can even be initiated."

I believe that they had always looked to the point that they were anticipating some type of a common carriage operation, that is why they felt, from this letter, that they would need a large amount of capital from the standpoint of setting up their various procurement agencies for the passengers, and so on. I feel that I can do it with less capital, because we are not at this time planning a common carrier operation.

Question. You mean not an operation—excuse me, go ahead.

Answer. Not a route-type operation such as Universal or USOA, or those carriers have. I do not want to rule out the possibility that at some later date, when our financial situation has improved, but I would want to be able to take advantage of the 10 trips, or whatever number of trips the Board allows supplemental carriers to operate, but we feel in order to get started and to put U.S. Aircoach back on its feet and take care of the GAO claim that we are going to operate as a CAM operator, due to the fact when we fly we are paid for it, we don't take any chance of having to take a trip across the country with 10 passengers on it, or something like that.

Question. Do you have any other personal capital to invest in U.S. Aircoach at this time?

Answer. I do not.

Question. Do you feel that the operation can be carried on successfully without any capital?

Answer. Yes. Because with the acquisition of the aircraft and the fact that we are factoring with Colonel Moore and getting immediate payment, his policy is immediately upon receipt of the TR the money is deposited to your account, we will have sufficient capital.

Question. For how long a period of time do you estimate it will take to pay the GAO claim by the siphoning off of your profits to them?

Answer. That, of course, is going to depend upon what the final figure is that is reached, but I will anticipate——

Question. Assuming it is $10,000?

Answer. Assuming it is $10,000 we anticipate payment of it in a period of not over 1 year.

Question. The arrangement with them is for what percentage of the income to go to them?

Answer. We do not have any such arrangement at this time with GAO to that effect.

Question. Have you discussed arrangements?

Answer. No. They said at such time after we have determined what the amount would be, the balance with the admission of the flight data, then we would determine the method of payment.

Question. Would you estimate what you would think would be a fair percentage or manner of payment to keep you in solvent operation?

Answer. Yes. No more than the arrangement that we now have with American Security.

Question. Ten percent?

Answer. In the amount of 10 percent.

Question. In other words, you expect that your gross revenues for the first year will be approximately $100,000?

Answer. I would hope they would be in excess of that. I would expect a gross revenue of no less than $200,000.

Question. Have you made application to the IAA for membership?

Answer. We can't——

Examiner DONAHUE. What is the IAA?

Mr. ELISH. Independent Airline Association.

The WITNESS. We have discussed it with the secretary, Mr. Roach. We have the application forms. We can't make application until such time as we have an air carrier operating certificate. We are back in the vicious circle, we can't get the certificate until we get an aircraft that can be leased.

Question. Is it true you also can't become a member of IAA until such time as you have an aircraft that is operating?

Answer. Right.

Question. Do you intend to pilot the aircraft yourself at present?

Answer. I expect to continue flying a maximum of 25 or 30 hours a month. I naturally want to maintain my proficiency and not completely stop flying after the length of time I have been flying as a pilot.

Question. You will hire a pilot to do the job right away?

Answer. Yes.

Question. You speak of drawing a reasonable salary for your future services. Could you tell us whether this salary, your income from U.S. Aircoach, how much you draw from the company, will be a constant figure, or will vary according to the income of the carrier?

Answer. My wife plans to take care of the accounting and a large part of the operations work. She was with Meteor for 3 years in the operations part of the company. Between us, we expect to draw no more than $1,000 a month, and in the event it is necessary, we are prepared to take less.

Question. In other words, it won't be a constant salary, it will be according to how much——

Answer. I hope it will be constant, but if it can't be, we will accept less. We aren't going to put the company out of business to maintain our salary.

Question. You state that you will lease aircraft to U.S. Aircoach in the future on exhibit 7, the third line from the bottom; is that correct?

Answer. We have found it the most practical way, until all claims are settled against U.S. Aircoach, to secure equity for both ourselves and U.S. Aircoach. They will be leased through me to U.S. Aircoach. When the claims are settled, I intend to turn the aircraft over to U.S. Aircoach, but at this time we are building up equity—if U.S. Aircoach was, before we completely settled the claims, it would be possible I would lose my investment and U.S. Aircoach would have nothing. That is the only reason for this type of a leasing arrangement being set up.

Question. Well, I would like, then, to turn to the current leases that are in issue.

Answer. All right.

Question. Exhibit U.S. 4, the last sentence on the page states that it is believed that this will be the best for meeting the rental obligation because the company can prepay rentals during the good months and Mr. Chapman can carry the company if necessary during the less profitable months.

Now, as I understand the lease, during the months of May, June, July, August, September, and December, you will pay international airports $6,000 per month?

Answer. That is correct.

Question. And the other months of the year you will pay them $4,500?

Answer. $4,500.

Question. My first question is why December is out of chronological order?

Answer. December, from past experience, we know that December has a high volume of business from the Independent Airline Association. The IAA secures a great number of common carriage loads from the various military bases of military personnel going home on furlough for the holidays, and in some Decembers it has almost approximated some of the poorer summer months; therefore; we feel that December is a month that the high obligation can be met.

Question. Now, the company is paying the same amount every month.

Answer. The $5,250 actually is the average of $6,000 and $4,500.

Question. You say here the company will prepay rentals during the good months. That is not actually correct. The company is not prepaying, they are paying the same amount every month.

Answer. If they are paying $5,250 to me during the month I pay $4,500, there will be a balance built up.

Question. They are paying $5,250 to you during the months when you are paying $6,000, during the good months?

Answer. Right.

Question. I don't see how this is a prepayment by them.

Answer. Well, I see what you are getting at. We felt that in the event a payment could not be made from U.S. Aircoach to me I would be able to carry them for that period.

Question. It would seem to me, then, that it would be better, if that was the purpose of this type of transaction, it might be better if U.S. Aircoach would pay less during the poorer months and more during the good months than have you carry them that way and you pay whatever amount to carry them.

Answer. As the lease was drawn up between International Airports and myself, with U.S. Aircoach we put down the average amount, the same yearly rental, and we felt if U.S. Aircoach could not make a payment of $5,250 I would have, say, in the month of November, if they paid $5,250 to me and I wanted to pay $4,500, I would be accruing a balance that could be applied to January if they couldn't make the $5,250 payment.

Question. In other words, for the purposes of these leases and the reasons for this type of payment arrangement, to all intents and purposes, you and U.S. Aircoach are one and the same.

Answer. Right.

Question. You personally will carry the company, pay more during the good months, and will pay less during the poor months?

Answer. That is right.

Question. Will there be any mingling of your funds with U.S. Aircoach?

Answer. Not at this time.

Question. The reason I ask that question is that this type of arrangement seems to me to be one where you are acting as if you were U.S. Aircoach?

Answer. No; it would just be—in other words, I would be willing to have U.S. Aircoach owe me X dollars if they were unable to make their full payment.

Question. I understand that; but my problem arises in the fact that you are paying more during the good months and they are paying less. The chances of them owing you money during the good months is much less.

Answer. May I put it this way: If it would satisfy the Board, I would be willing to negotiate a new lease with exactly the same payment schedule made up as the one that I have. If it would clarify it, or if you feel it would be more advantageous to U.S. Aircoach, I would be willing to do it.

Question. My reason for going into this so specifically is that I just wanted to see whether you were divorcing your own personal business from that of U.S. Aircoach.

Answer. I will not have any business except U.S. Aircoach.

Question. I realize that, but I mean your own personal funds from those of U.S. Aircoach?

Answer. They definitely will be separate. To be frank with you, I feel that perhaps in setting this lease up we made an error in not making it exactly the same as the other lease. We put down the average, we felt in the case they couldn't make the $5,250 payment that it would be a matter of my carrying them on the books as owing me so many dollars, and I could still make the payment myself. As I say, if it would please the Board, I would be willing to execute a lease exactly the same as the payment schedule that I have made.

Question. Just another question on the same point: Wouldn't it be better for U.S. Aircoach, considering the reasons for the splitup as you expressed them, the difference in payment during the different 6-month periods, wouldn't it be better if U.S. Aircoach would make lower payments during the poorer months and higher payments during the more profitable months?

Answer. I agree with you; I think it would be.

Mr. BEITEL. If you are leaving that subject, I want to ask about U.S. 4. I think there may have been a slight misunderstanding, where it says the company can prepay rentals during the good months, you mean prepay rentals to Chapman during the good months.

Mr. ELISH. That still leaves me in the dark, because the company is not prepaying rentals to anybody. During the good months they are paying less than Mr. Chapman is paying to international airports, which doesn't seem to me to be a prepayment by U.S. Aircoach to Mr. Chapman. I don't want a hassle over this. I think the facts are on the record.

Mr. BEITEL. But it is obvious to me if the company pays 2 months' rental in advance——

Mr. ELISH. The company could pay the rental any time they wish, but I am talking about paying in accordance with the terms of the lease.

The WITNESS. This is not so designed in any way to give me any additional income. You see, over the period of a year U.S. Aircoach will pay the same rental as I will pay, and in the event that this is not acceptable, it is perfectly all right with me to negotiate a new lease in exactly the same form as the one that I have made.

By Mr. ELISH:

Question. You stated on direct examination that the purposes for the two leases were so that you could build up equity in the aircraft which you have leased.

Answer. So that I can, but I intend to turn that equity over to U.S. Aircoach at such time as all claims have been satisfied against U.S. Aircoach.

Question. Would you please explain to me from an examination of the lease what provisions of the lease allow you to build up equity? It appears to me to be nothing more than a straight lease of an aircraft.

Examiner DONAHUE. When you are referring to the lease, which exhibit?

Mr. ELISH. Exhibit A, Mr. Examiner.

Examiner DONAHUE. For the record, exhibit A refers to an exhibit attached to the application of U.S. Aircoach in docket No. 9703.

Mr. BEITEL. Off the record.

Examiner DONAHUE. Off the record.

(Discussion off the record.)

Examiner DONAHUE. On the record.

By Mr. ELISH:

Question. Mr. Chapman, you have handed me a copy of an option to purchase the aircraft which is in issue, the lease of which is in issue in this proceeding. Will you supply copies of this for the record, please?

Mr. BEITEL. We will supply them, Mr. Examiner. May that be marked for identification as "Exhibit U.S. 10."

Examiner DONAHUE. It may be so marked for identification.

(Exhibit U.S. 10 was marked for identification.)

By Mr. ELISH:

Question. Mr. Chapman, do you expect to exercise this option?

Answer. I expect that either myself or U.S. Aircoach will exercise the option.

Question. At what time do you believe you will be able to exercise the option?

Answer. I would say probably at the end of the 2-year period.

Question. Do you have any idea at this time—I realize it is a little early to tell—do you have any idea at this time how you would go about making payment?

Answer: The reason I have the 2-year period is on the basis of this option to purchase, at that time there would be an equity in excess of $75,000 in the aircraft. Normally, then, one-third of the payment would be made on the aircraft and at that time normally you can secure financing through conventional channels.

Question. Would you please explain the situation in the last 2 weeks that has caused difficulty in acquiring additional aircraft?

Answer. Yes; the fact that the operators all feel because of the Middle East crisis that perhaps the Civil Reserve Air Fleet will go into operation, with the result that DC-4 aircraft, which would mean a lot more work for the C-46-type aircraft, and naturally with the prospect of increased work through the winter months it will make the value of the aircraft or it has made the value of the aircraft much higher.

Question. Have you deposited the $10,500 with International which you are obligated to do?

Answer. No, I have not.

Question. No money has passed?

Answer. No money has passed. That is right now a piece of contention with this increased valuation of aircraft. I have only been able to hold them back at this point because everything is subject to Board approval.

Question. How long after you acquire Board approval, if such approval is forthcoming, will it take you before you go into operation?

Answer. As a result of discussions with the local CAA office at Burbank, the fact that the manuals with only minor changes are acceptable, and new manuals are being prepared for filing, it appears it is only a matter of at the most 2 or 3 days. The chief pilot, the man who will be acting chief pilot, is a CAA designee at Burbank and acceptable to them. The crews whom I will hire they know, having flight checked through their office. The only possible delay will be getting the insurance approval through MTMA, the Military Traffic Management Agency. They have at times in the past required that an actual copy of the policy from London showing the entire group of participating brokers be on file with them. Other times they have accepted just a form from the Stewart Smith Agency stating that the insurance was in effect.

Question. You would also have to gain membership in the IAA before you began operations?

Answer. Yes. I discussed that with the secretary and with several of the board of directors, and they have assured me that upon payment of the membership fee that the board of directors, through telegrams, will give their approval of U.S. Aircoach, and that it will be fully confirmed at the next meeting.

Question. Will you please tell us what position Ellen Pinney now holds with the company, if any?

Answer. She has no position whatever with U.S. Aircoach.

Question. No connection?

Answer. No connection whatever. The only one of the former people who had association with U.S. Aircoach even listed as in the employ is Hucheson, and he is not on a salary, as I explained before.

Mr. ELISH. I have no further questions.

Mr. BEITEL. I have just one question I would like to ask to clarify the record.

Examiner DONAHUE. All right.

REDIRECT EXAMINATION

By Mr. BEITEL:

Question. The organization of IAA as you described it, does IAA procure the military business for its members?

Answer. They act as the bidding agency, the procurement agency.

Question. Then it would not be necessary for U.S. Aircoach to have its own personnel for the purpose of bidding?

Answer. I understand it is possible for a person to go down to some public building where these flights are posted on the board and bid them, and so forth, but I don't believe anybody is doing that.

Question. It will be IAA who does that for you?

Answer. Yes.

Mr. BEITEL. That is all.

Examiner DONAHUE. Very well.

Mr. BEITEL. I have no further redirect, Mr. Examiner, but I would like to offer exhibits U.S. 1 through 10 in evidence.

Examiner DONAHUE. Is there any objection?

Mr. ELISH. No objection.

Examiner DONAHUE. They may be received.

(Exhibits U.S. 1 through 10 were received in evidence.)

Mr. BEITEL. I would like to have permission to withdraw exhibits 9 and 10 for the purpose of supplying copies, the necessary copies for the record and counsel.

Examiner DONAHUE. Permission is granted.

I would like to ask Mr. Chapman a couple of questions.

What assurance have you that you will get the volume of CAM business that you anticipate here in your testimony?

The WITNESS. Only through the past records that have been published by the Independent Airline Association as to military traffic.

Examiner DONAHUE. Do you, as a member of the association when you became a member, have an absolute right to any portion of this business?

The WITNESS. The policy, the present policy of the association is to equitably divide the dollar income of the association among the carriers as far as is permissible, according to the tariffs.

In other words, they can't bid a carrier to bring his dollar volume up if his tariff should be higher than another carrier sitting beside him, but as far as it is possible, they try to keep the dollar volume of each carrier on the same level.

Mr. ELISH. Mr. Examiner, I think that the IAA operates as is explained in the opinion and Board order approving the last IAA tender, where they apportion the flights both by positioning of the aircraft, where they are positioned, according to where the flights are going to take place, as well as apportioning to volume.

The WITNESS. I can give the exact formula. On a C-46 aircraft, the military approves it for 45 passengers, military passengers. The number of days the aircraft is available to the association, on any day you may have maintenance or such, you are obligated morally to advise the association that the plan is not available. Any day you have flown it on other business that you have procured also. The number of days that the plane has been available to the association times 45 will give you so many seat-days that your aircraft has been available. They then take the total number of seat-days of all the members and through dividing your seat-days into that get a percentage of what dollar revenue you are entitled to for that month. If you have been plus or minus, the next month they try to adjust it accordingly.

Examiner DONAHUE. Is there any lack of equipment presently available for CAM movements?

The WITNESS. There are definitely during the 5 summer months, there has always been a lack of equipment available for the CAM movements.

Examiner DONAHUE. Has that been true during the current summer months?

The WITNESS. There have been days definitely during the summer months this year when the IAA could not supply the equipment to the military that was desired.

Examiner DONAHUE. But generally the presently available equipment is adequate to supply the demand for the CAM movements, is it?

The WITNESS. I know that right now in the past week they haven't been able to come anywhere near supplying the equipment to move the military personnel.

Examiner DONAHUE. That has been due to the international situation?

The WITNESS. Yes.

Examiner DONAHUE. And prior to that there was no lack of equipment, generally, was there?

The WITNESS. During the 4 or 5 summer months there is always lack of equipment. The bids come in early in the season for the movements of the Reserve and National Guard personnel and almost totally take the availability of the fleet. Then the additional movement that the normal military move, they usually are left begging to a certain extent, to a certain extent they are.

Examiner DONAHUE. And during the other months, that would be 7 or 8 months of the year, is there a surplus of aircraft available?

The WITNESS. In the past there has been a surplus, but I believe the Board is familiar with the new deal of trying to approve this air charter traffic exchanges.

Mr. ELISH. Commercial charter exchange.

The WITNESS. They feel that will alleviate the situation during the winter months.

Mr. ELISH. That exchange has been in operation for the past 3 years, I believe.

The WITNESS. Well, there is a new method of procurement.

Mr. BEITEL. The docket in that case, I don't have the number, but the docket in that case will reflect that the Association asked for the removal of certain restrictions which have prevented—

Mr. ELISH. It is docket No. 5680, I believe, and the request there is an extention for a 3-year period of this exchange for domestic traffic, and an extention of the exchange for overseas and international traffic.

Mr. BEITEL. Plus the elimination of the restriction as to number of flights which can be operated per day, I think.

Examiner DONAHUE. Well, the docket will speak for itself on that. I was trying to get the record clear that for 7 or 8 months of the year, there appears to be more aircraft available than there are requests for the use of it.

The WITNESS. For approximately seven, but we have a situation this winter that will be different in that USOA previously they supplied in excess of 25 percent of the available seats of the association.

Examiner DONAHUE. USOA, United States Overseas Airlines?

The WITNESS. Yes, and they have resigned as a member of the Independent Airline Association. I believe they have secured other contracts, Navy contracts, plus their common carriage operation which is utilizing their aircraft, which actually means this winter there should not be the large surplus of seats there previously has been.

Examiner DONAHUE. Now, referring to exhibit A attached to the application of U.S. Aircoach in docket No. 9703, in paragraph 10, what is the purpose of naming the U.S. Government and the Small Business Administration as coinsured?

The WITNESS. I went to the record section of CAA to check for liens and so forth against the aircraft and found that International Airports had secured a loan from the Small Business Administration with this aircraft and I believe two other of their aircraft.

Examiner DONAHUE. In inspecting the records, did it appear that International Air ports, Inc., was the legal owner of this aircraft mentioned here, M-74174?

The WITNESS. There was nothing to indicate otherwise. The people in the recordation section advised me that to the best of their belief, and the records on the plane indicated clear title with the exception of the Small Business Administration loan.

Examiner DONAHUE. This is not a C-46 that is owned by the U.S. Air Force and is under lease?

The WITNESS. No. As I recall, the records indicated that it was purchased from Aviation Corporation of Seattle by International Airports. There was a change from Trans-Ocean, to Seattle, to International Airports.

Examiner DONAHUE. Will you tell me the reasons that caused you to believe that the valuation of $150,000 on the supplemental air carrier certificate to U.S. Aircoach is a legitimate valuation?

The WITNESS. At this point, it is impossible for a person such as myself, who is interested in starting in the supplemental air transportation business to get operating authority from the Board. I have at previous times even discussed a part of 45 operation with Mr. Rosenthal. However, even with that he would experience difficulty from the Association and be very restrictive insofar as operating. It appeared to me that actually this $150,000 valuation was put on by the previous management, but I would be willing to accept that also on the books as a fair value of the certificate, due to the fact that you can't—the Board does not authorize any more supplemental carriers.

Examiner DONAHUE. How long would you say it would require you, if you acquire the U.S. Aircoach as your property, to earn $150,000 in profits?

The WITNESS. In profits, in cash, it would take a considerable amount of time, but as far as equity in the aircraft, to the corporation, it can be done in less than a 3-year period.

Examiner DONAHUE. The equity would have to be built up out of profits, wouldn't it?

The WITNESS. Yes, equity in the aircraft.

Examiner DONAHUE. It would be the same thing?

The WITNESS. The same thing; yes, sir.

Examiner DONAHUE. You say a considerable period of time. Could you fix that more accurately?

The WITNESS. Yes, I would say 3 years with a one-airplane operation.

Examiner DONAHUE. You could earn $150,000 in profits?

The WITNESS. You would have an equity in the aircraft of $150,000.

Examiner DONAHUE. That equity would be profits that you had invested in the aircraft.

The WITNESS. Right.

Examiner DONAHUE. So it would be profit?

The WITNESS. That is right.

Examiner DONAHUE. Are there any further questions of this witness?

Mr. ELISH. I have one question, just to clarify an answer which Mr. Chapman recently gave.

RE-CROSS-EXAMINATION

By Mr. ELISH:

Question. You spoke of the increase of the possibility of your getting more business through IAA because of the resignation of USOA from your organization. Isn't it true that USOA has joined another supplemental air carrier organization and intend to bid for the same flights as IAA does at present?

Answer. I am well aware of the fact that they are in another association, but I believe they also have obligated a large part of their equipment to the Navy contract, they also have committed, evidently, a portion of it to their route-type operation which they were not operating before. I do not know exactly the amount of aircraft the USOA has or what they have committed to the new association, but it would appear to me as an industry observer that they have considerable less equipment available to the military operation than they had a year ago when they were depending solely on IAA.

Mr. ELISH. Thank you.

Examiner DONAHUE. You may be excused, Mr. Chapman.

(Witness excused.)

Examiner DONAHUE. Is there anything further, Mr. Beitel?

Mr. BEITEL. I have no further evidence to offer, sir.

Examiner DONAHUE. Mr. Elish, do you have anything to offer?

Mr. ELISH. Nothing.

Mr. BEITEL. Off the record for a moment.

Examiner DONAHUE. Off the record.

(Discussion off the record.)

Examiner DONAHUE. On the record.

The applicants and the Bureau of Air Operations waive all further procedural steps up to the Examiner's initial decision, except that the Bureau of Air Operations will file on or before July 31 a statement of its position and its recommendation, and will serve a copy upon Mr. Beitel, attorney for the applicants.

There being no further business, the record will be closed.

(Whereupon, at 11:45 o'clock a.m., the hearing in the above-entitled matter was closed.)

Mr. Chapman's testimony at this hearing proves his lack of financial solvency and managerial experience. Yet, the CAB gave him a certificate to operate a supplemental airline.

After the court decided that the certificates issued by the CAB to supplemental air carriers were illegal, Congress quickly enacted stopgap legislation—identified as Public Law 86-661—which continues these carriers in business until March 1962.

Soon after Public Law 86-661 took effect, the tragic crash in Toledo, Ohio, of the Arctic Pacific Air Lines plane carrying 16 members of the California Polytechnic College football team occurred. Mr. Jack Germain, managing editor of the Alhambra Free Press, a newspaper published in the 25th Congressional District of California, summarized this tragedy in these words:

In the Toledo fog Saturday night, a big piece of America was lost.

The following articles taken from the Blade, a newspaper printed in Toledo, Ohio, gives a full account of this disaster:

[From the Blade, Oct. 30, 1960]

AIRLINER WITH 48 CRASHES AT AIRPORT; FOOTBALL TEAM ABOARD, 20 ARE KILLED—PLANE PLUNGES ATTEMPTING TO TAKE OFF IN HEAVY FOG—CALIFORNIA POLY JUST PLAYED AT BGSU; CRAFT BURNS AFTER FALLING TO RUNWAY

A chartered C-46 airliner—carrying members of the California State Polytechnic College football team from San Luis Obispo—crashed and burned while attempting to take off last night from fog-covered Toledo Express Airport.

Of the 48 passengers aboard, 20 were known dead, 25 were injured, and 3 were missing.

Visibility at the airport was zero when the twin-engine Arctic Pacific Air Lines plane plunged back to the runway seconds after it left the ground. It apparently fell from about 100 feet.

The passengers boarded the plane at the airport minutes before the disaster. The California football team had played Bowling Green State University at Bowling Green earlier in the day.

The airport was closed an hour and a half before the tragedy when the U.S. Weather Bureau at the airport reported visibility was less than one-sixteenth of a mile.

The plane's flight plan had been cleared through the control tower at the airport. All commercial airline flights scheduled for the airport had been canceled by 8 p.m., 2 hours before the crash.

E. D. Richards, traffic controller in the airport tower, said he talked to the pilot of the plane as it taxied onto the runway for takeoff.

Mr. Richards told reporters that because of the dense fog he could not see the burning wreckage from the control tower, although the crash was only 440 yards away.

WAITED ABOUT 2 HOURS FOR PLANE

The football party had been waiting for the plane at the airport for about 2 hours. They expected to leave the airport at about 8 p.m.

The chartered plane brought the team from Santa Maria, Calif., to Toledo Thursday. The plane continued on to Youngstown where it took aboard members of the Youngstown University football team for a flight to New Haven, Conn.

After the Youngstown-Southern Connecticut College football game there earlier yesterday, the plane returned the Youngstown team safely to Youngstown.

Reports from Youngstown indicated the plane left the airport there, bound for Toledo, at about 7:20 last night.

Leroy Hughes, head coach of the California football team, said after the game at Bowling Green yesterday that "the kids are tired and will get a chance to sleep on the flight home."

Police and ambulance crews battled heavy fog to reach the scene of the disaster.

Many emergency vehicles fought the dense fog along Chicago Pike in the race to the airport. Hundreds of residents along the way attempted to help the rescue efforts by helping direct traffic with flashlights.

TAKE EXTINGUISHERS TO SCENE

About 50 to 75 noncommissioned officers of the Ohio National Guard were taking part in a Halloween party in a hangar at the east end of the airport at the time of the crash.

"All at once we heard a tremendous explosion and roar," explained Capt. Robert Stephens of the group.

Another member of the group, Sgt. Kenneth Pence, fire chief of the air guard unit, led others to the scene with fire extinguishers.

"We just tried to pick up all the live ones," he said. "My God, it was horrible."

Other members of the group told reporters the plane was torn in half and only the tail section and what appeared to be a cargo door were distinguishable when they sighted the wreckage.

They described the scene as "a mountain of debris."

Bowling Green State University representatives accompanied the California school party to the airport from Bowling Green.

Walter Williamson, 24, El Monte, Calif., the team's backfield coach, was among the survivors. He was interviewed by a reporter at Toledo Hospital where he was treated for an ankle injury.

"The plane went up about 100 feet," Mr. Williamson said. "It seemed to lose power, veered up and then crashed."

Mr. Williamson was seated near the rear of the aircraft.

Al Bounds, 1621 Woodland Avenue, and Frank Harman, 6022 Bapst Avenue, said they heard the plane "buzz" as it started the take off.

"It might have been an engine backfire," Mr. Bounds said. "Then there was a tremendous explosion which shook the building. The tower called airport 33—the emergency signal.

Springfield Township's volunteer fire department was the first fire unit to reach the disaster scene.

"Flames shot at least 300 feet in the air," according to Capt. George Showman, of the Springfield Township rescue squad.

"Bodies," he said, "were found from 25 to 200 feet from the wreckage."

A spokesman for Eastern Airlines at the airport told a reporter at about 8 p.m., that the last commercial flight into the airport last night was an Eastern flight which landed at 6:33 p.m.

One other Eastern flight, due to land at 12:40 a.m. from Detroit, was canceled after the airport was closed, he said. The Detroit airport was not closed at the time

A Capital Airlines spokesman said a flight of that airline—from Chicago to Philadelphia—passed over the airport here at about 8:30. It did not make its normal stop here.

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DECISION TO TAKE OFF LEFT IN HANDS OF PILOT—AIRPORT AUTHORITIES CAN BAR LANDINGS, CAA SAYS, BUT NOT PLANE DEPARTURES

A pilot can exercise his own discretion as to whether he will take off, no matter how poor the flying weather, officials in the control tower at Toledo Express Airport said last night.

Even in those cases where the airport is completely blanketed by fog, they said, a plane cannot be prevented from taking off. If a pilot requests clearance, it must be given.

The tower, however, can tell the outbound pilot just when to take off and which runway to use.

Incoming flights are something else. According to Civil Aeronautics Administration officials, no plane can land at the Toledo airport if there is not at least a 300-foot ceiling and 1 mile of visibility.

Before a pilot takes off, CAA officials said, he must file a flight plan and check with the weather bureau.

The weather picture is given again to the pilot, via radio, just before takeoff, the officials said.

Last night the field was closed to incoming planes at 8:37 p.m., when visibility was less than one-half mile, and it became progressively worse, officials said.

The ill-fated C-46's flight plan had been cleared by the control tower, officials said.

SURVIVORS DESCRIBE NIGHT OF HORROR AS CRAFT FALLS, BURSTS INTO FLAMES—INTENSE HEAT BARS RESCUE OF VICTIMS TRAPPED IN WRECK

Survivors of the plane crash at Toledo Express Airport described the experience as a night of horror.

The outline of the shattered plane against the fog-shrouded horizon, presented an eerie scene to them as flames roared through practically all of the plane except the severed tail section.

TAILS SEEMS TO DROP

Screams and moans came from the burning section of the plane as rescuers attempted to save those trapped inside, but were driven back by the intense heat.

Both F. Sheldon Harden, assistant coach of the California team, and Jim Fahey, a halfback from Gilroy, Calif., said the plane began fishtailing as it took off.

"Just as we left the ground, the tail seemed to drop and the plane fell off to the left," Mr. Harden said.

"The next thing I knew," he said, "I was on my hands and knees, trying to crawl out."

Mr. Harden pulled at least four passengers from the wreckage. Then, he said, he saw the flames creeping near and was forced to crawl to safety. "The main problem was just to get out of there."

Mr. Fahey, who escaped with head cuts, said the plane "started jumping up and down after taking off." The motors started sputtering, he said, and then the left motor apparently stopped.

TELL OF FULL FLIP-FLOP

He described the plane as "making a complete flip-flop—the tail went right over the top of it in the air."

Mr. Fahey, seated in the rear part of the plane, immediately unbuckled his seat belt after the plane crashed and jumped from the wreckage along with a teammate. Don Adams, a halfback from Modesto, Calif.

The two saw that some of their teammates were injured and in shock. They, along with the stewardess, Mrs. Danny Miller, 34, Seattle, began dragging them from the wreckage as the flames spread.

Mr. Adams finally collapsed as he was helping rescue those still in the plane and was helped to safety himself.

"It was foggy," Fred Brown, a coach, said. "We didn't want to take off to begin with. You could sense we weren't going to make it too high. I flipped over and then I got out as fast as I could.

"A lot of the guys were staggering around. I ran—and then I went back. The fire wasn't as bad as we had thought it was." He escaped with minor cuts and bruises.

The first persons to reach the scene of the crash from the airport buildings were five men who rode on a United Air Lines tractor and baggage cart.

Because of the fog, they couldn't see the wreckage, but they knew there had been a crash. Heading the tractor toward the spot from where the sounds had come, they finally reached the wrecked and burning plane.

Frank Harman, a station agent for United, said he was in the back room in the airport building when he heard a conversation over the radio between the airport tower and the captain of the plane.

He listened, he said, because he was surprised that a plane would attempt a takeoff in the dense fog. Curious, he stepped outside, but couldn't see a thing because of the fog.

HEARD PLANE STRIKE

"I heard the plane gun its engines and take off—then suddenly the engine noise stopped," he said. "Everything was quite—then I heard the plane strike the ground."

Mr. Harman said he ran to the tractor and baggage cart parked outside, grabbed a first-aid kit and fire extinguishers and drove onto the ramp. Four other men, including R. W. Coombs, senior agent here for United, and Al Bounds, a skycap for United jumped aboard and rode to the scene.

"I guess we were one of the first pieces of mobile equipment to reach the plane," he said. "We had a hard time finding the plane because of the fog, but we just followed the taxiways until we could see it.

VICTIMS WANDER IN DAZE

"The front was on fire. But the back of the plane seemed to be ahead of the front part. Uniforms, which had been packed in bags, were scattered around. Some of the boys were wandering around dazed; some were lying on the ground, and some were buried in the plane.

"There was moaning and crying. Some of the bodies were on fire. We couldn't get very close to the part of the plane that was burning. We turned the extinguishers on some of the passengers who were afire. Then we managed to pull several of them from the wreck."

Mr. Harman said everyone cooperated and pitched in. He said the entire airport crew has had training in such rescue work and has seen movies on the subject, "but this was something different."

Mr. Coombs said he heard the crash, but the reaction was hard to explain.

"There was just one, large roar," he said.

FOG SHROUDS TRAGEDY

Mr. Coombs said he heard the engine backfire and knew the plane had crashed, although he couldn't see anything because of the fog.

"When we got there," he said, "the plane was scattered around. People were lying around, moaning. Our fire extinguishers were too small, so we concentrated on getting the passengers from the parts of the plane which weren't burning."

"Al Bounds did the work of 10 men," Mr. Coombs said, "in getting the victims out of the plane. He seemed to be everywhere."

It seemed to be about 10 minutes later, Mr. Coombs said that fire equipment from the Air National Guard base and from the Springfield Township Volunteer Fire Department arrived and extinguished the blaze.

DESCRIPTIONS SIMILAR

Mr. Bounds gave a similar description of the takeoff and appearance of the wreckage.

Ray Hutchinson, Rural Delivery 1, Monclova, who was standing along the fence in front of the administration building, ran to the airport fire truck at the west end of the building, and sped to the crash scene. He and others on the truck were among the first at the scene. They tried to extinguish the blaze with foam, and were aided when other fire equipment arrived.

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CALIFORNIA COLLEGE TOWN INCREDULOUS AT REPORT OF GRID TEAM'S PLANE CRASH—FACULTY MEMBERS CALLED IN TO AID STRICKEN FAMILIES

SAN LUIS OBISPO, CALIF., October 29.—News of the crash of a chartered plane carrying its football team home from Bowling Green, Ohio, stunned Cal Poly and this city of 18,000 persons tonight.

All faculty members of the California Polytechnic Institute of San Luis Obispo were called to the college to assist families of football players who reported there to receive reports from the Toledo airport.

"My God, it can't be the Cal Poly team," Mrs. Gary Van Horne, Sr., mother of the team's star fullback cried when she first heard the news. Her son, Gary, was aboard the plane and she wasn't sure whether he was among the survivors.

Her cry of incredulity was the general pattern as telephone exchanges of newspapers and radio stations were jammed all through San Luis Obispo County.

Since the college team is made up principally of boys from the area, the circle of people personally involved was very wide.

Not all those aboard were football players. John Nettleship, sports editor of the San Luis Obispo Telegram-Tribune, and John Bachina, a leading insurance agent in San Luis Obispo, were passengers on the plane.

Local telephone operators said calls flooded in, some from shocked parents and relatives who were so emotionally distraught they had difficulty in making themselves understood.

John Healy, public relations director for the college, said the news came during a high school football game on the Cal Poly field. As it spread through the crowd, college officials and local newsmen hurriedly left the administrative building which was turned into a command post.

Cal Poly is a member of the California State college system. It has two campuses, the other at San Dimas, Calif. It specializes in air conditioning, agricultural, and allied engineering and other courses.

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CRASH WITH ENTIRE TEAM BELIEVED FIRST IN THE UNITED STATES

NEW YORK, October 29.—The plane crash at Toledo tonight that killed members of the California Poly football team is believed to be the first of its kind in the United States.

Available records do not list any previous crashes of chartered airplanes involving an entire athletic team.

In recent years traveling by plane has become routine for major league baseball teams as well as for teams in the national basketball association and for many college football and basketball teams.

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PLANE LINE OPERATES MAINLY IN PACIFIC

OAKLAND, CALIF., October 29.—Artic Pacific, Inc., operators of the chartered plane which crashed tonight with Cal Poly football team is a nonscheduled carrier based at Oakland International Airport.

It operates chiefly in the Pacific.

The line has held many Military Air Transportation service contracts for passenger flights fom the San Francisco Bay area to the Far East carrying military personnel.

The line recently was awarded a National Safety Council plaque for operational safety.

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[From the Blade, Oct. 31, 1960]

SURVIVORS REACT TO CRASH WITH PRAYER, THANKFULNESS—SORROW WEIGHS HEAVILY ON 24 CONFINED IN TOLEDO HOSPITALS; ACCOUNTS VARY LITTLE

Yesterday was a Sunday of prayer and thankfulness for the 26 survivors of the crash at Toledo Express Airport which took 22 lives.

But the thankfulness was overshadowed by sorrow for their dead friends and teammates on the Cal Poly football team.

Typical of the reaction of the survivors was that of General Owens, Jr., 21, Barstow, Calif., a member of the football team who escaped with a severe nose injury.

Tears edging out of the corners of his eyes, the all-around fullback said, "Kids all around me died—kids that I had played side-by-side with. I don't know how I was spared. But I thank God that I'm alive."

Twenty-four of the twenty-six injured were in three hospitals yesterday. Twelve were in Toledo Hospital, nine in Mercy, and three in Maumee Valley.

All but four were in good or fair condition. Two were on the critical list, two on the serious list.

Accustomed to scenes of suffering, hospital attendants nevertheless were visibly affected by the sight of the young, sturdy football players lying helpless and in pain in their beds. Nurses seemed to put forth an extra bit of effort to make them comfortable.

TOLEDOANS OFFER HELP

Toledoans held out helping hands to assist the injured and their relatives. Hospital personnel reported many Toledoans telephoned and called in person yesterday to offer their homes to the injured and their families.

None of the injured wanted to think about the tragedy. And none of them was anxious to talk about it. The night was one they wanted to forget.

Reconstructing the events leading up to the crash, several of the injured recalled that they hadn't wanted to take off in the dense fog. During the bus ride from Bowling Green to the airport, the conversation centered on the possibility that the flight might be delayed until the weather cleared.

Of the injured interviewed yesterday, all of them agreed that one or both of the plane's engines had been sputtering and missing as the craft was being warmed up before takeoff.

James Fahey, 24, Gilroy, Calif., and Don Adams, 25, Modesto, Calif, teammates and good friends, were seated together in the rear of the plane. Mr. Fahey escaped with an eye injury, and Mr. Adams with severe cuts and bruises.

FORM RESCUE TEAM

Because their injuries were less severe than most of the passengers, they were able to rescue many of the injured from the wreckage. The two worked as a team to drag a victim from the plane to a safe distance from the fire, then return for another and another.

Mr. Fahey, from his hospital bed, gave a clear description of the preparations for the flight, the crash, and the rescue efforts.

"Both of the engines seemed very cold and it took a long time to warm them up," he said. "They coughed and sputtered.

"Then, when the pilot started revving up the engine for the takeoff, they sounded funny to me. I knew something was wrong. Don (Adams) had his seat reclined. I told him to put up the seat just in case something happened.

"We rode the same plane here from California, but the engines hadn't sounded like that before. We couldn't see a thing outside because of the fog.

"As the plane moved forward on the runway, it started fishtailing, just as a car would act on a sharp curve. I heard one engine missing and the plane started bouncing up and down. I didn't know if we were on the ground or off, but it seemed as if we were in the air.

"The plane veered to the right, then veered to the left. Then the engine noise stopped. The plane flip-flopped over on its left side and the nose went down.

"The next thing I knew, I was upside down in my seat. 'How are you?' I asked Don 'OK,' he said. We unstrapped our seat belts and lowered ourselves to the ground. When we got outside we saw flames in other parts of the plane.

"We worked together to drag them one by one from the plane, getting them just as far away as we thought would be safe, and then going back for another one. We tried to carry them, but couldn't. So we just dragged them. It was necessary to unfasten the seat belts from some of them so we could get them out.

"After a while, Don collapsed. He was bleeding a lot from a head wound. By that time, others had arrived and were helping get them out."

Karl Bowser, 23, Bakersfield, Calif., was seated with Billy Ross, 25, also of Bakersfield, about halfway back in the cabin.

"When I saw we were going to hit," Mr. Bowser said, "I rolled up into a ball. The next thing I knew I was in the midst of wreckage. I don't know how many times I got up and then fell down again."

PULLED FROM WRECKAGE

With flames surrounding him, Mr. Bowser pulled Mr. Ross from the wreckage. Mr. Ross was burned critically over the lower half of his body.

Richard McBride, 19, Redondo Beach, Calif., said he and Ted Tollner, 21, San Luis Obispo, Calif., had been concerned about the weather during the bus ride from Bowling Green. There was considerable discussion in the bus about the possibility of staying over, he said.

Seated together in the midsection of the plane, both were thrown clear in the crash. Neither of them could walk, but they were pulled away from the wreckage by other players.

Among the first of several parents of the football players to come here yesterday was Alfred T. Tollner, father of Ted, who arrived at Maumee Valley Hospital before noon. He fortunately was able to obtain a seat on a jet flight leaving California at midnight. His son suffered a severely dislocated ankle.

Roger Kelly, 20, San Luis Obispo, said he and Robert Johnson, 23, Birmingham, Ala., were seated together in the front part of the cabin. He said he didn't remember a thing after the crash until he found himself lying on the grass beside the runway.

NONE ESCAPED INJURY

Mr. Owens said the accident was "too terrible to describe." He said he thought he heard a popping sound when the pilot revved up the engines before taking off. "I had a feeling then that we might crash," he said.

He managed to stagger away from his seat, which was near the center of the cabin. When his stunned condition passed, he joined in the rescue efforts.

No one who was in the plane escaped injury, but those who had been seated in the rear half seemed less seriously hurt. The fire was confined to the front part of the fuselage.

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TWENTY-TWO DEAD, TWENTY-SIX INJURED IN PLANE CRASH—PILOT, COPILOT, SIXTEEN MEMBERS OF TEAM ARE VICTIMS

Twenty-two persons died and 26 others were injured in the crash Saturday night of an airliner carrying the California State Polytechnic College football team from San Luis Obispo.

Among those killed were the pilot, copilot, 16 members of the team and the team manager.

The mother and sister-in-law of the copilot, also killed; were traveling to Oakland, Calif., to meet the copilot's wife of a few days.

DEAD

Donald I. Shesser, 37, Oakland, the pilot.

Howard Perkovich, 30, Martinez, Calif., the copilot.

Mrs. Mabel Perkovich, 60, Elkton, Md., copilot's mother.

Mrs. Betty Perkov, 30, Elkton, Md., copilot's sister-in-law.

Peter Bachino, 38, San Luis Obispo, insurance man and team booster.

Walter Miner, Los Angeles, team manager.

Roderick Baughn, 21, San Gabriel, Calif., tackle.

John Bell, 26, Chicago, halfback.

Victor Hall, 21, Los Angeles, halfback.

Guy Hennegan, 20, Los Angeles, tackle.

Curtis Hill, 21, Bakersfield, Calif., end.

James Ledbetter, 19, Sacramento, center.

Lynn Lobaugh, 20, Huntington Park, Calif., guard.

Wayne Sorenson, 20, Los Angeles, quarterback.

Larry Austin, 23, Bakersfield, end.

William A. Stewart, 19, Sunset Palisades in San Luis Obispo, end.

Gary Van Horn, 22, Paso Robles, Calif., halfback.

Oliver Dean Carlson, 20, Lompoc, Calif., halfback.

Ray Porras, 27, Los Angeles, fullback.

Franklin Copeland, 23, Bakersfield, Center.

Donald O'Meara, 25, Madera, Calif., halfback.

Marshall Kulju, 20, Antioch, Calif., halfback.

INJURED

*Maumee Valley Hospital*

Karl Bowser, 23, fullback, Bakersfield, Calif., fair.

Ted Tollner, 21, quarterback, Redondo Beach, Calif., fair.

Richard McBride, 19, Redondo Beach, Calif., good.

*Mercy Hospital*

Leroy Hughes, 54, head coach, good.

Jerry Williams, 19, Santa Monica, Calif., good.

General Owens, Jr., 21, fullback, Barstow, Calif., good.

Howard O'Daniels, 52, assistant coach, San Luis Obispo, fair.

Dr. Arthur James, 38, team physician, Arrayo Grande, Calif., fair.

Brent Jobe, 19, end, Vista, Calif., fair.

James Fahey, 24, Gilroy, Calif., fair.

John Nettleship, 45, sports editor, San Luis Obispo Telegram-Tribune, poor.

*Toledo Hospital*

Russell F. Woods, 21, guard, of Gridley, Calif., serious.

Billy Ross, 25, tackle, Bakersfield, Calif., critical.

Fred Brown, 20, end, Albany, Calif., good.

Roy Scialabba, 18, guard, San Bernardino, Calif., good.

Gil Stork, 19, center, San Luis Obispo, good.

John Brennan, 19, tackle, Glendale, Calif., good.

Al Marinai, 20, guard, San Francisco, serious.

Donald Adams, 25, halfback, Modesta, Calif., good.

Roger Kelly, 20, halfback, San Luis Obispo, Calif., good.

Bill Daulphin, 19, tackle, Shafter, Calif., good.

Walter Shimek, 23, tackle, Picture Butte, Alberta, Canada, previously listed as dead, fair.

Robert Johnson, 23, guard, Birmingham, Ala., fair.

RELEASED FROM HOSPITAL

F. Sheldon Harden, 45, assistant coach.

Walt Williamson, 24, assistant coach, El Monte, Calif.

Mrs. Denny Miller, 34, Seattle, Wash., stewardess.

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COACH SEES END OF FOOTBALL AT CALIFORNIA STATE POLY—DANGER OF AIR TRAVEL FOR TEAMS EMPHASIZED BY DISASTER, HE SAYS

F. Sheldon Harden, assistant coach of California State Polytechnic College football team, predicted that Saturday night's disaster would end football at the 5,000-student school in San Luis Obispo.

Mr. Harden, 45, has been coaching Cal Poly 12 years. He escaped with minor cuts and bruises.

"Other colleges will be doing a lot of thinking about air travel now, too," he added.

"One of the reasons Jackie Jensen quit baseball was that he was afraid of planes.

"Every time I get in a plane I get jittery. If I get in another one I'll probably panic."

LONGEST FLIGHT

The Mustang team has made frequent flights over the years, but until Saturday had never ventured further east than Peoria, Ill., Mr. Harden said.

Saturday's 50–6 loss to Bowling Green State University left it with a 1–5 record, with three games remaining on the schedule. The last three games will not be played.

"We lost a lot more than the game Saturday," the assistant coach continued. "A lot more."

He said no one yelled before or after the crash. "This was the best group of individuals I ever had dealings with in a serious situation," he said. "Everyone held his head—everyone who could helped."

Several of the injured were placed at first on the taxi strip but later were moved aside in fear they would be struck by emergency vehicles hurrying through the fog, Mr. Harden said.

COMFORTS INJURED

The assistant coach, a husky blond who played tackle and guard at Santa Clara University, puffed incessantly on a pipe as he talked, then switched to a cigar when he ran out of tobacco. "Sorry," he said apologetically, "but this seems to be the only thing that soothes my nerves."

His coat was blood-specked, his shoulder sore and he was visibly affected by the ordeal. He talked of Vic Hall, the dead halfback who could run the quarter mile in 46.3 and the 100-yard dash in 9.5. Later, he visited survivors and comforted them.

"I guess the Good Padre just was on my side this time," he said.

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CAB BEGINS INQUIRY IN CRASH AT AIRPORT KILLING 16 PLAYERS, 6 OTHERS ON FOOTBALL PLANE—FIELD PHASE OF STUDY MAY REQUIRE WEEK—THRONGS OF CURIOUS GET REMOTE VIEW OF TWISTED WRECKAGE

An investigation directed by the Civil Aeronautics Board began yesterday into the fateful crash Saturday night of a chartered C–46 airliner at fogbound Toledo Express Airport.

The carrier, with 43 persons aboard, including members of the California State Polytechnic College football team from San Luis Obispo, went down while attempting to take off, then burst into flames. The smashup and fire claimed 22 lives and injured 26 other occupants. Sixteen of the dead were members of the football team.

Even as a team of investigators flew into Toledo from several points, efforts were being made to identify all of the dead.

The airport was closed to incoming planes from 8 p.m. Saturday until 7:20 a.m. yesterday. The plane wreckage caused no interference when full-scale operations resumed, but airliners were not permitted to use 3,000 feet of the eastern section of the runway.

Hundreds of curiosity seekers converged on the airport all day long for a remote glimpse of the twisted wreckage at the east end of the runway.

SAFETY UNIT INQUIRY

Inquiry into various aspects of the cause of the crash is being conducted by the safety Investigation Division of the Bureau of Safety of the CAB.

John M. Cyrocki, Washington, Assistant Chief of the Division, predicted that the field investigation would require about a week. Then will follow several other phases, and he said it might take weeks before a final report is submitted to the CAB.

"We are not in a position to guess at these things," Mr. Cyrocki said. "We are not in the business of putting the blame where it does not belong."

If the investigation uncovers some deficiency or negligence connected with the accident, then the report will recommend to the appropriate agency corrective action, Mr. Cyrocki said.

Clarence Stillwagon, from the CAB's Kansas City field office, is the investigator in charge. He will be aided by a team of about 15, covering operation, structures, powerplants, weather information, witnesses, and human factor.

AIRLINE MEN COMING

Mr. Cyrocki said representatives of the Arctic Pacific Air Line, owners of the ill-fated plane, also were due at the scene, but he did not know what role they would have in the investigation.

Headquarters for the investigators are in the Ohio Air National Guard Building.

Mr. Cyrocki said the CAB will be supported in the inquiry by specialists from the Federal Aviation Agency and from industry.

He would not comment on whether the pilot of the chartered plane should have—or had the right to—take off in the heavy fog. Nor would Mr. Cyrocki go into the question of the plane's serviceability except to say that most C46's have had at least 10,000 flying hours and some up to 40,000.

He said facts on such matters as these would have to be developed from several sources.

Officials in the Toledo Express Airport control tower said Saturday night that no matter how poor the flying weather, a pilot may exercise his own judgment as to whether he takes off. But on the other hand, the Civil Aeronautics Administration can prohibit landings if there is not at least a 300-foot ceiling and 1 mile of visibility, the officials explained.

START STUDY PROMPTLY

Several of the investigators went to work within 3 hours after they arrived and were briefed on the situation. They had been alerted by Mr. Cyrocki early yesterday, shortly after he received preliminary details of the crash from the CAB's Chicago field office.

William L. Lamb, who will direct the operations study, and Ralph E. Stokes, in charge of the structures investigation, flew here from New York City.

From Washington came Walter A. Gonnound, heading the powerplant phase, C. M. Anderson, in charge of the structures group, and Billy M. Hopper, supervising the human factor phase.

They were also joined by Melvin Gough, director of the safety investigation division, and John S. Leak, director of the structures engineering unit.

Dr. Lester Adelson, Cleveland, FAA pathologist consultant; Maj. Wayne Otto, Army doctor assigned to FAA; and Capt. Harrison McMichel, Air Force pathologist, also are assigned to the investigation.

Mr. Stillwagon was accompanied by R. B. Fenimore, also an investigator from the CAB's Kansas City field office.

The operations men will trace the operations of the plane from the time it left its original point until the time of the crash. The structures' investigation will attempt to document the position of the wreckage, with investigators taking out piece after piece for close examination and laboratory tests and the thorough checking of instruments for any clues to the cause of the crash.

Witness examiners will scout the area for anyone who saw or heard anything that might have some bearing on the crash—whether the men in the control tower or lay witnesses heard any indication of engine failure, for example. Mr. Cyrocki emphasized that there is no presumption of such.

Powerplant investigators will seek to determine the intensity of power on the engine at the time of impact and any indication of malfunction.

The human factor element involves autopsies, checking the position of occupants in the cockpits or passenger seats and other human factors that might lend valuable clues to future safety.

EVALUATE WEATHER DATA

While all of this is going on, William L. Hainon, a meteorologist in the U.S. Weather Bureau in Washington will be collecting and evaluating weather data to ascertain what part it played.

Mr. Cyrocki had nothing but praise for the cooperation of the State highway patrol, Toledo police, sheriff's deputies, and Lyle Koepke, Commissioner of Aviation, especially for their securing the area of the wreckage.

The value of this foresight was proved yesterday morning when many persons climbed

a fence near the airport entrance on Chicago Pike and advanced to within 150 yards of the scene. They were warded off by police and later members of the Civil Air Patrol.

State highway patrolmen banned all parking along Chicago Pike in the vicinity of the airport. But hundreds of motorists parked on private property and alongside roads and walked from a quarter to half a mile to points where they could view the crash scene from another quarter to half a mile.

Highway patrolmen also closed at least two side roads that lead around the airport property.

CRASH PLANE NOT SERVICED DURING YOUNGSTOWN STOP

The plane which crashed here Saturday night did not receive engine service when it stopped at Youngstown Municipal Airport Friday and Saturday night, Don Glass, airport manager, said today.

The Cal Poly team was brought here on the charter flight from San Luis Obispo, Calif., stopping en route at Albuquerque, N. Mex., and Kansas City.

After the Cal Poly team was left at Toledo Express Airport, the plane continued to Youngstown, where it picked up the Youngstown College football team and took it to New Haven, Conn., for a game with Southern Connecticut College.

Nearly 500 gallons of gasoline was taken on by the plane Friday at the Youngstown airport, but nothing out of the ordinary was noted, according to Mr. Glass.

On the return trip, the Youngstown team was landed at the airport about 6 p.m. Saturday (Toledo time) and the plane continued on to Toledo. It stayed at Youngstown only about 20 or 25 minutes on the return trip and received no service, Mr. Glass said.

None of the men who were on duty at the airport Saturday night could recall any indication of trouble, he said.

FOG NOT DETERRENT TO TAKEOFF, PILOTS SAY

Several Toledo pilots agreed today that fog is not especially a deterrent to the takeoff of a plane, although certain skills are required to get the aircraft up safely.

The pilots, who asked that they not be identified, said flying during foggy conditions is an accepted practice.

One pilot, who flies a plane for a Toledo industry, said he is apprehensive about taking off during a fog because of a fear that his plane might not be able to land if trouble should develop after the takeoff.

"If I would have to land after a few seconds or minutes in the air, I would be just out of luck," he said.

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COPILOT'S BRIDE WIDOWED AGAIN BY TOLEDO AIR CRASH

OAKLAND, CALIF., October 31.—It has been a luckless life for Mrs. Angela Perkovich.

Several years ago her husband and their four children died in an automobile accident.

Tuesday, she married copilot Howard Perkovich, 30, of Oakland. He was killed Saturday night at Toledo in the flaming crash of the chartered C-46.

Dying with him were his mother, Mabel, and his sister-in-law, Betty. They were en route to visit the new bride.

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IDENTIFICATION OF VICTIMS IS DIFFICULT TASK—FINGERRPINTS, PAPERS, DENTURES PROVE HELPFUL

The grim task of identifying the dead in the crash of the chartered C-46 airliner Saturday night at the Toledo Express Airport was not completed until 4:30 p.m. yesterday.

Dr. Harry Mignerey, assistant coroner, gave credit to Sheldon Harden, an assistant coach of the California Polytechnic State College football team, for tremendous help in identification of the bodies.

Saturday night, in the improvised morgue in the corridor of the administration building at the airport, four victims were positively identified. Three others were identified by papers and other means at hospitals.

Mr. Harden made some other tentative identifications Saturday night. Yesterday, at 9:30 a.m., he joined Dr. Mignerey, State highway patrol officers and Capt. Ted Kwiatowski, on a tour of seven mortuaries.

Fingerprinting, one of the surest means of identification proved, helpful in only three instances, so badly were the bodies burned or mutilated.

The team relied greatly on Mr. Harden's recollection of the position of players on the plane before its takeoff.

Dentures also were valuable in two instances, Dr. Mignerey said. They helped correct one mistaken identification, and also determined the identification of Mrs. Mabel Perkovich, mother of the copilot.

INSURANCE ON DISASTER HELD BY AIRLINE, COLLEGE

The crashed plane was covered by $50,000 insurance for each occupant, plus public liability and property damage coverage, according to the Independent Airlines Association in Washington.

George Clucas, dean of finance and development at Cal Poly, said the players were covered by a National Collegiate Athletic Association medical policy which provides up to $5,000 for hospitalization of each injured person.

Another policy, he said, gives the associated student body $300,000 total maximum coverage for a major accident of this sort.

MAYOR MOVES QUICKLY TO AID IN DISASTER

After spending much of Saturday night at Toledo Hospital, where many of the injured plane victims were admitted, Mayor Damas spent most of yesterday at the Toledo Express Airport.

He had Louis Thomson, Jr., city publicity director, set up an emergency information station in the office of the aviation commissioner.

On Saturday night, Mayor Damas asked the Commodore Perry Hotel to provide accommodations for any of the survivors who were able to leave hospitals. He said that the city would take care of their expenses if necessary.

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COLLEGE TOWN HOLDS SERVICE FOR PLAYERS KILLED IN CRASH—NONDENOMINATIONAL RITES ARRANGED FOR 16 IN SAN LUIS OBISPO SCHOOL'S GYM

SAN LUIS OBISPO, CALIF., October 31.—Thousands of California State Polytechnic College students will bow their heads at memorial services today for 16 members of their football team who died in a flaming plane crash at Toledo.

The solemn nondenominational services were to be held at the strikingly modern gymnasium here.

The crash Saturday night killed 22 and injured 26 more. All but five of the dead were from the college or from the town of San Luis Obispo.

There were eight married students on the trip. Five of them were killed including a father of four and star halfback Garry Van Horne, whose wife is expecting her second child.

ENTIRE CAMPUS GLUM

Sunday morning the entire campus was glum and somber. But by afternoon girls in bright capri pants talked and laughed near their dormitories. Several male students were playing basketball spiritedly on an outside court at the campus which is set against the Santa Lucia Mountains midway between San Francisco and Los Angeles.

"When the radio and TV bulletins started Saturday night, our campus almost died," one girl recalled. "I told a girl who dated one of the players about the crash and she backed up against the wall and began screaming 'you're kidding, you're kidding.'"

Mrs. Karen Watson, wife of a student living here, said: "There was a Halloween hayride and dance set for Saturday night. We were in the truck all ready to go when word came over a car radio.

"Couple by couple, everyone got up and went home. I've never seen anything like it in my life."

When the news was announced at a downtown movie, many coeds broke into sobs.

RELATIVES CALLED

Harried school officials worked through the night, calling relatives and answering calls. One observer likened the atmosphere to the hours following a mining disaster when families wait—suspecting, hoping, but not wanting to face the terror of the truth they fear.

Saturday, November 5, was to be homecoming for Cal Poly's Mustangs. A girl, her eyes glistening near tears, said, "Homecoming. There's no one left to come home."

The school canceled the homecoming game with Los Angeles State and the other two remaining games on its football schedule.

In downtown San Luis Obispo large posters read "Welcome Poly Back." Nearby newspaper racks headlined the tragedy in 2-inch type.

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PLAYERS CALL STEWARDESS CRASH HEROINE—ONLY SURVIVOR OF PLANE CREW MINIMIZES HER ROLE

Surviving members of the Cal Poly football team bestowed the title of heroine on Mrs. Danny Miller, 34, Seattle, Wash., stewardess of the plane which crashed Saturday night at Toledo Express Airport.

Mrs. Miller, a veteran of 14 years as a stewardess, was the only survivor among the three-member crew of the plane. She suffered a wrist injury.

From her bed yesterday in Mercy Hospital, Mrs. Miller denied that she was anything like a heroine, but admitted she aided about 15 persons from the wreckage.

OCCUPIED REAR SEAT

Sobbing quietly, the stewardess recalled the events of the night before. "We took those boys east from California," she said, "and I got to know quite a few of them. It was a terrible thing."

Mrs. Miller said she occupied the rear seat of the plane during the takeoff, as is customary. As far as she knew, there was no engine trouble, she said.

Also, she said, there was no vibration to give a warning of an impending crash. During her years as stewardess, Mrs. Miller said she has flown often under similar weather conditions.

When the ship crashed, she climbed out through a door on the right side. Because the front half of the plane was burning fiercely, she said, nothing could be done to aid those in that section. She and passengers who were not hurt seriously concentrated their rescue efforts toward those in the tail section.

ASSISTED INJURED

She and the others began unfastening safety belts of the injured and assisted them away from the wreckage. She said she was fearful that an explosion might add to the injuries.

Mrs. Miller said she joined Arctic-Pacific Airlines about September 1. Previously she had been a stewardess for Pan-American and Northwest Airlines, as well as several charter companies.

Released from the hospital last night, Mrs. Miller said she planned to return immediately to her home in Seattle.

No less tragic than the crash is the inability of persons injured and beneficiaries of those killed in the crash to receive just compensation for their losses from the now defunct Arctic-Pacific Air

Lines. The aftermath of the disaster is discussed in the following articles taken from the Alhambra Free Press. These articles describe the terrible plight of the survivors and the families of the dead:

[From the Alhambra Free Press, Sept. 6, 1961]

RESPONSIBLE?—FEDERAL RELIEF SOUGHT FOR AIR CRASH VICTIMS

Should the failure of a regulatory agency of the U.S. Government to properly exercise the responsibilities within its jurisdiction subject the Federal authority to liability for damages suffered by a person or persons as a direct or indirect result of such failure?

This question, loaded with explosive political, legal and moral implications, may soon be posed to the Nation's lawmakers, the Free Press revealed today, in a dramatic move designed to gain legislative relief for surviving and dependent victims of the Cal Poly football team air tragedy last October.

Basis for the move—the details of which will be made public within the next few days—is a far-reaching allegation of failures by the Civil Aeronautics Board (CAB) and the Federal Aviation Agency (FAA) to properly enforce civil air regulations in connection with the operation of the ill-fated Arctic Pacific Air Lines plane.

An unofficial, but highly informed source, in an exclusive interview prior to departure for Washington, D.C., yesterday, assured the Free Press that a strong and determined effort will be made, probably from the floor of the House of Representatives, to obtain rapid congressional approval of a measure that would—

(1) Authorize payment of an undisclosed sum of tax-free public moneys as personal and punitive damages to all passengers aboard the chartered Arctic Pacific C–47 at the time of the crash at Toledo, Ohio, and

(2) Establish by concession the responsibility of the Government aviation agencies for allowing Arctic-Pacific to operate in the face of several known violations and obvious financial insolvency.

Spurring the action is the fact that Arctic-Pacific, within days of the crash, formally declared bankruptcy and technically removed itself from any further possibility of damage payment to the survivors of the 17 young football players killed in the crash, or the half dozen others severely injured.

In addition, the CAB hearing on the accident concluded that the Arctic-Pacific plane was not airworthy, thereby allowing the insurance carrier, Lloyds of London, "off the hook" for the $50,000 policies taken out on each of the men by the college.

Since that time a total of some $6½ million in damage suits has been filed against the airline, the school, and the State of California, with currently little hope for early recovery or relief of the claimants. Six of those killed were married. A total of 11 children are listed among the dependents.

Reports indicate that at no time during the CAB hearing was any effort made to fully identify full ownership of Arctic Pacific. Airlines President James Springer said only that he "owned stock in the company," but did not state—and was not asked to state—the *identity* of other stockholders.

The hearings further disclosed that normal route checks by Federal aviation regulators had not been made on the Arctic-Pacific operation for "over a year" prior to the accident.

Questions raised at the hearing over the sobriety of the pilot, who was never conclusively identified, as well as the possibility that the copilot was actually at the controls on takeoff in "zero visibility" weather conditions have never been publicly answered.

These and other even more startling questions may be asked again if the new course of action at the congressional level is successful, although the Free Press was advised that "tremendous coverup pressures" could develop if the introduction of the Cal Poly relief bill leads to open debate on the floor of either House.

This warning hinted of the possible violent reaction of prominent figures in Washington, and throughout the vast network of independent airline operations from coast to coast, to any move aimed at a deeper prope of Arctic-Pacific or other "nonsked" irregularities.

Ironically, the reported legislative move comes on the heels of a bill now under consideration (S. 1969) which could give the CAB broader authority in issuing operating certificates to supplemental air carriers. And, strangely one of the carriers named in the bill in a list of exclusive corporations which the measure will benefit is Arctic-Pacific, Inc.

Prime backers of S. 1969, which was introduced at the request of the CAB, are the Independent Airlines Association and its close-knit membership of some 21 supplemental air carriers. A former IAA president and now head of IAA-member President Airlines, Inc., is George S. Patterson, one of the principal figures in the 1959 "Santa Claus Bank Scandals." Arctic-Pacific is—or was—a member of IAA, also.

The Los Angeles Examiner, in an exclusive series by Tom Devlin and Henry Sutherland covering that bank conspiracy case 2 years ago, identified Col. G. Gordon Moore, brother-in-law of former President Eisenhower, as another key figure in the independent airline industry. Moore at one time admitted handling "most of the financial matters" of the IAA which, he said, was "85 percent Government contract" operation.

Though hopes for the passage of a measure for the relief of the Cal Poly crash survivors would appear to enjoy considerable sentimental support, the entire general inference of Federal responsibility due to alleged negligence on the part of the CAB or the FAA is likely to trigger volatile opposition.

Cal Poly football coach Roy Hughes, who was among the few occupants of the plane to escape serious injury, recently reported that public donations to the Cal Poly Memorial Fund have amounted to some $75,000, all of which has already been spent for hospital and medical bills still accumulating. There remains an acute financial burden for the injured survivors as well as the widows and children of the crash victims. Total need has been estimated at a minimum quarter of a million dollars.

Some additional assistance is expected to come from the staging of the Mercy Bowl football game at the Los Angeles Coliseum on Thanksgiving Day, November 23 between Bowling Green (Ohio) University and an undetermined California college team.

The tragic crash, which stunned the American sports public last October 29, occurred at the fog-shrouded Toledo Airport a few hours after Cal Poly's grid team lost to Bowling Green in an intersectional contest.

Cal Poly, located at San Luis Obispo, was forced to cancel the remainder of its 1960 football schedule, including its planned Homecoming Day game against Los Angeles State College 1 week after the crash.

Two of the crash victims were local products, Rod Baughn of San Gabriel and Bill Stewart of Monterey Park.

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[From the Alhambra Free Press, Sept. 13, 1961]

NONSKEDS FLY HIGH ON FEDERAL SUBSIDY PAID IN HUMAN LIVES

The Federal Government is saving you money. It is paying off its subsidy of nonscheduled airlines on a pay-as-you-go basis—with human lives.

And the policy is proving so successful that Congress may vote this week to make it a permanent arrangement.

Backed by the gold-plated influence of one of the most powerful combines in the history of American politics and garbed in a paper cloak of public convenience and national defense, Senate bill 1969 (or its companion House bill 7318) lies quietly on the table of a committee room in the House of Representatives today awaiting the call onto the floor for consideration and passage.

This proposed legislation, which has drawn little or no attention from the Nation's usually intrepid news brigade, is designed to create a permanent class of supplemental air carriers (nonscheduled, certificated airlines supplementing the major scheduled lines) and, as the title of the bill so modestly declares, "for other purposes."

This unimposing title page, however, belies the critical importance of the measure involved. Its passage intact can mean:

1. Millions of dollars in potential new income for one of the shrewdest, most complex and powerful monopolies ever constructed.

2. A step-up in troop airlift operations under an exclusive permanent military contract arrangement which is already providing upward of 85 percent of the total revenue of members of the Independent Airlines Association.

3. Perpetuation of financially irresponsible "front" airline companies such as the infamous Arctic-Pacific, Inc., which declared bankruptcy immediately after delivering 16 Cal Poly football players and six other persons to their deaths in a fiery crash at Toledo, Ohio, last year.

4. Continued Government sanction of passenger-carrying airlines which 2 years ago were declared by the District Court of Appeals in Washington, D.C., to be unfit for certification under the standards of the Federal Aviation Act of 1938.

A hint of the vital interest behind the total nonsked industry came when Congress, within a period of about 3 months after the court ruling, drafted and passed Public Law 86–661 which disregarded the court's fitness findings by granting the airlines involved a 20-month interim operating sanction to allow for "further study."

Three months after Public Law 86–661 was enacted, the Arctic-Pacific C–46 aircraft (flying with 16 violations against it and flown by a pilot whose license had been revoked) crashed at Toledo. Had Public Law 86–661—purely stopgap legislation—not been passed Arctic-Pacific would not have been able to accept the Cal Poly charter flight.

Two of the primary arguments offered by proponents of the stopgap legislation as well as the currently proposed bill are (1) the supplemental airline industry is a vital adjunct to the national defense in time of emergency, and (2) the supplemental carriers are not subsidized by the Government and therefore should receive every possible consideration to promote their solvency in times of peace.

With the termination of the 20-month interim operating authority granted to the supplemental carriers due in March of 1962, the continued existence of the majority of these lines rests squarely on Senate bill 1969.

With this bill also rides millions of dollars in potential military and civilian air traffic, a ready market for the existing regular scheduled airlines to dispose of obsolete equipment (a critical item during the period of conversion to jet aircraft), and the continued success of the well protected IAA and its prominent and influential stockholders.

Of interesting note among a fantastically complex web of intrigue, coverup, whitewashed irregularities and enormously wealthy personalities is the fact that President Airlines of Burbank, operators of the DC–6B which crashed on takeoff at Shannon, Ireland, Saturday night, killing all 83 aboard, is also a member of the IAA standing to benefit by S. 1969.

Ironically, 2 of the 3 planes operated by President Airlines were at Shannon Airport at the time of the crash. The death plane, as with the Arctic-Pacific plane at Toledo, was on a chartered flight. The other President craft at Shannon was on a military contract flight carrying Army personnel to Paris.

General manager of President Airlines is George S. Patterson, one of the principal figures in the sensational Sun Valley ("Santa Claus") Bank scandal in 1959. He was formerly president of the IAA and of the now bankrupt Universal Airlines. President Airlines took over the operating certificate of the now defunct Cal-Eastern Airlines. And thus the confounding web continues.

The Free Press talked to Patterson shortly after the Shannon crash. In answer to a direct question, he said that President Airlines owned all its planes and had acquired them in an outright purchase. However, a check of Civil Aeronautics Board records in Washington shows the fatal DC-6B to have been leased from the Ayers-Lines Co. of New York, a leasing firm. They had been purchased by Ayers-Lines from American Airlines, a major scheduled route carrier.

It was noted that Ayers Lines also leases planes to several other IAA member supplemental airlines.

The fact that President Airlines does not own the equipment it operates could signal the beginning of an all-too-frequent pattern such as occurred with the Arctic-Pacific tragedy, whereby the airline company, owning no physical assets of note, quickly slipped into bankruptcy and thereby escaped payment of claims by survivors and dependents against it.

This is a pattern of back-door operation which the Congress, the CAB, and the Federal Aviation Agency have sanctioned in the past and now considers condoning in the future through enactment of Senate bill 1969 or its companion House measure.

This is a pattern which has flourished for two basic reasons: (1) the failure of Congress to enact laws requiring more rigid standards of financial responsibility requisite to certification and (2) the hit-or-miss (mostly miss) enforcement of economic and safety operating regulations by the CAB and the FAA.

And these are the patterns which are currently being scrutinized by several highly incensed legislators in regards to a possible congressional move aimed at fixing Government responsibility for the Arctic-Pacific disaster and securing early financial relief for the hard-hit survivors and dependents of the Cal Poly accident.

Reports late yesterday indicated that the Senate bill could hit the floor of the House within a matter of hours. Just what course of action opponents to S. 1969 might take was still a mystery, but as of press time there still remained an almost certain potential that the year-old Arctic-Pacific crash could become the center of explosive political activity.

It is significant that the report of the CAB relative to the crash is void of any mention of a blood alcohol test on the pilot. There is evidence indicating that the pilot had been drinking alcoholic beverages immediately prior to the time of departure of the plane from Toledo.

Now, we are being asked to approve H.R. 7318 which would give grandfather rights to such airlines as Arctic-Pacific and President. I am unable to understand why the Under Secretary of Commerce Edward Gudeman in a letter to the gentleman from Arkansas, the Honorable OREN HARRIS, chairman of the House Interstate and Foreign Commerce Committee, relative to H.R. 7318 advises that his Department supports this legislation and at the same time says:

The act would also be amended to reduce the present standards of fitness required for certification as an air carrier so that only general findings of fitness need be made for supplemental service. H.R. 7512 would also provide for grant of statutory operating rights to the existing holders of supplemental air carrier certificates, in the nature of grandfather rights.

The full text of the Under Secretary's letter follows:

THE SECRETARY OF COMMERCE,
*Washington, D.C., June 19, 1961.*

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

DEAR MR. CHAIRMAN: This is in response to your request of June 9, 1961, requesting the views of the Department on H.R. 7318 and H.R. 7512, bills to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes.

H.R. 7318 would amend the Federal Aviation Act so as to provide: for certification of a class of direct air carriers distinctive from the class of air carriers historically certificated under sections 401(d) (1) and (2) of the act, the new class to be known as supplemental air carriers; that such carriers may request, and be authorized to perform, limited services supplemental to those furnished by the regular air carriers; that the Civil Aeronautics Board be expressly authorized to issue certificates of public convenience and necessity for supplemental service containing limitations on the type and extent of service authorized; that the Board be authorized to grant blanket authorization without having to designate specific points.

The act would also be amended to reduce the present standards of fitness required for certification as an air carrier so that only general findings of fitness need be made for supplemental service. H.R. 7318 would also provide for grant of statutory operating rights to the existing holders of supplemental air carrier certificates, in the nature of grandfather rights.

H.R. 7512 would amend the Federal Aviation Act so as to provide: for certification of a class of direct air carriers distinctive from the class of air carriers historically certificated under section 401(d) (1) and (2) of the act, the new class to be known as supplemental air carriers; that such carriers may request a certificate of public convenience and necessity which limits the holder to performance of unlimited planeload charter operations, limited individually ticketed passenger or individually waybilled cargo operations, and the right of first refusal in the operation of all charter operations; that the Civil Aeronautics Board be authorized to grant a blanket authorization without having to designate specific points.

The act would also be amended to reduce the present standards of fitness required for certification as an air carrier so that only general findings of fitness need be made for supplemental service. H.R. 7512 would also provide for grant of statutory operating rights to the existing holders of supplemental air carrier certificates in the nature of grandfather rights.

On January 28, 1959, in the large irregular air carrier investigation, CAB docket 5132, the Board issued temporary certificates of public convenience and necessity for supplemental air carrier operation in interstate air transportation. Under these certificates, supplemental air carriers were authorized to conduct without reference to any specified terminal or intermediate points not more than 10 flights carrying individually ticketed passengers or individually waybilled property in the same direction between any single pair of points in any calendar month, and to render unlimited planeload charter services.

The issuance of such certificates was challenged in the courts by regularly authorized air carriers, i.e., air carriers certificated to render route-type service. On April 7, 1960, the U.S. Court of Appeals for the District of Columbia Circuit set aside the Board action of January 28, 1959, *United Air Lines et al. v. Civil Aeronautics Board* (278 F. 2d 446). The court found that the certificates issued for supplemental air service did not specify the terminal and intermediate points between which air transportation had been authorized, contained limitations as to the number of flights contrary to section 401(e) of the act, and were not based on standards of fitness for applicants for certificate required by section 401(d) of the act.

As a stopgap measure to avoid immediate cessation of 25 supplemental air carrier authorizations, the Congress enacted Public Law 86-661, approved July 14, 1960. Such legislation was designed to maintain the status quo of the supplemental air carriers for up to 20 months after enactment so as to permit further consideration to be given the entire matter of supplemental air transportation without interim cessation of the then-existing authority of the carriers involved.

This Department is of the opinion that the continued existence of the supplemental air carrier fleet is of real value in terms of national defense. At the present time eight supplemental air carriers have executed civil reserve air fleet (CRAF) standby contracts which provide for the furnishing of air transportation on an international scale to the Department of Defense in the event of war or national emergency.

Of a total of 212 aircraft allocated by the Department's Defense Air Transportation Administration to the basic CRAF program, 40 have been allocated from supplemental air carrier inventories. In addition, the aircraft remaining in such air carrier inventories after CRAF requirements have been met (approximately 123 in number) are subject to DATA's allocation authority for purposes of Department of Defense domestic wartime requirements, such as the Navy's quicktrans and the Air Force's logair operations, and for the needs of the civil economy under the war air service pattern program.

The Department also concludes that it would be unrealistic, as well as inherently unsound, for the continued existence of the supplemental air carriers to be entirely dependent in peacetime upon military business. Therefore, we agree that supplemental airlines should be eligible to operate their planes in peacetime in commercial air services.

The Department supports the purpose of these two similar bills but considers the provisions of H.R. 7318 as being more likely to achieve their desired aims. We recommend against the provision in H.R. 7512 that would give the supplemental carriers the right of first refusal in the operation of all charter trips in interstate, oversea, and foreign air transportation. It is our view that such a provision would give the supplemental carriers an unwarranted competitive advantage over the regularly authorized air carriers and that it could cause undue burden on those persons desiring charter flights by limiting at the outset their choice of carrier.

Furthermore, the provisions in H.R. 7512 limiting the frequency of individually ticketed or individually waybilled cargo operations to 192 flights per year appears to be arbitrary. We are of the opinion that H.R. 7318 gives authority to the Board to furnish the necessary protection without setting a limitation that may be harmful to the supplemental carriers, the regularly certificated carriers and the traveling public.

The Bureau of the Budget advises that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

EDWARD GUDEMAN,
*Under Secretary of Commerce.*

The evidence presented herein compels me to ask that H.R. 7318 be passed over without prejudice so that the public interest will be protected.

Mr. HARRIS. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. HEMPHILL], a member of the committee.

Mr. HEMPHILL. Mr. Speaker, I support this measure.

Mr. HARRIS. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. ALBERT], the acting majority leader.

PROGRAM FOR WEDNESDAY AND THURSDAY

Mr. ALBERT. Mr. Speaker, I take this time first of all to advise the House that on Thursday next, September 21, at 12:30, His Excellency the President of Peru, Dr. Manuel Prado, will address a joint meeting of the Congress.

SUSPENSION OF RULES ON WEDNESDAY

Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker pro tempore at any time on Wednesday, September 20, to entertain motions to suspend the rules.

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not, I would like to have the acting majority leader clarify the situation as to the bills that may be called under this consent request, if it is agreed to.

Mr. ALBERT. Mr. Speaker, may I say in response to the minority leader that the bills to be called under suspension of the rules on Wednesday are:

H.R. 5628, relating to the Hawaii Botanical Gardens.

S. 302, Minnesota, funds, Superior National Forest.

H.R. 4172, Federal Advisory Committee on Arts.

All of these were on the calendar for today.

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

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

There was no objection.

The SPEAKER pro tempore. The question is, Shall the House suspend the rules and pass the bill H.R. 7318, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, S. 1969.

The Clerk read the title of the Senate bill.

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (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 by which any person 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)(i) 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, or the type of service provided therein, 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 in oversea or foreign air transportation, as a supplemental or large irregular air carrier, otherwise authorized by the Board, or (C) 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 a new interim certificate or new interim authority to such applicant to engage in supplemental air transportation to the same extent authorized in the applicant's certificate and/or other operating 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 8^-661 of July 14, 1960 (74 Stat. 527), and any 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(2) 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 issuance of an interim certificate or other interim authority under section 7 of 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 interim certificate, interim 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.

SEC. 9. (a) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "TITLE IV—AIR CARRIER ECONOMIC REGULATION" is amended by adding at the end thereof the following:

"Sec. 417. Special operating authorizations.

"(a) Authority of Board to issue.

"(b) Terms of authorization.

"(c) Procedure."

(b) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "Sec. 901. Civil Penalties." is amended to read as follows:

"(a) Safety, economic and postal offenses.

"(b) Liens.

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

The Clerk read as follows:

Strike out all after the enacting clause of S. 1969 and insert the provisions of H.R. 7318 as just passed.

The amendment was agreed to.

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

A similar House bill (H.R. 7318) was laid on the table.

A motion to reconsider was laid on the table.

## THE LATE DAG HAMMARSKJOLD

Mr. ALBERT. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 49.

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

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

S. CON. RES. 49

Whereas, Dag Hammarskjold, of Sweden, served as Secretary General of the United Nations since April 1953; and

Whereas Mr. Hammarskjold worked tirelessly to strengthen the United Nations as a force for world peace and justice; and

Whereas he served the cause of peace with patience, determination, and courage; and

Whereas his wisdom and leadership for peace won the admiration and respect of peoples throughout the world; and

Whereas Secretary General Dag Hammarskjold gave his life in the service of the United Nations and for the cause of peace: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That our deep and sincere regrets are expressed to Mr. Hammarskjold's family, to the Swedish Government, and to the United Nations for the loss of a great man and a great soldier for peace.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

Mrs. BOLTON. Mr. Speaker, the untimely death of United Nations Secretary General Dag Hammarskjold has shocked the world. That he should have met death in the pursuit of reconciling hostile factions witnesses to the singular dedication with which he approached his responsibilities.

As Secretary General of the United Nations, Mr. Hammarskjold labored endlessly to conciliate disputes between nations which threatened to erupt into world conflagration. His conception of an active role for the Secretary General inevitably brought him under bitter attack from the Communists, which resulted in Premier Khrushchev's demand last fall that he be replaced by a three-man committee. It was his support of the United Nations Force in the Congo which disappointed severely Moscow's hopes of continued chaos and early establishment of a satellite government in the heart of Africa.

A man of rare intellectual and literary ability, Dag Hammarskjold's consecrated dedication to his almost impossible job is an example to all the world. We extend heartfelt condolences to his Swedish compatriots, who have now lost two of their greatest statesmen in the service of the United Nations.

Truly the world is diminished by his death, as John Donne's sublime "Meditation No. XVII" comes to mind:

No man is an island, entire of itself;
Every man is a piece of the continent,
A part of the main;
If a clod be washed away by the sea,
Europe is the less,
As well as if a promontory were,
As well as if a manor of thy friend's
Or of thine own were;
Any man's death diminishes me,
Because I am involved in mankind;
And therefore
Never send to know for whom the bell tolls;
It tolls for thee.

Mr. BARRY. Mr. Speaker, with the announcement that the Secretary General of the United Nations, Dag Hammarskjold, is dead we realize that the world at large has lost a friend. He was the outstanding international civil servant of our time. He was a man dedicated to the peace of the world and he possessed the capacity to be an effective instrument for that peace.

What will happen to the position that is now vacant has yet to be determined. It would be a difficult task at any time to find someone to replace such an able administrator. At present, it will no doubt prove even more difficult.

Dag Hammarskjold was the embodiment of the dream that all men will one day live under the rule of law and of reason. His constant concern was for the good of all men. His capacity for impartiality and careful reason was extraordinary. His interest was for the welfare of even the smallest group of men. The staff of the U.N. Secretariat and of delegation personnel were also on his mind. He offered his strong support for World House, a project for which I have responsibility under the YMCA of Greater New York. It would provide for the recreational and temporary housing needs of U.N. personnel. He had time to discuss with us the very great need that exists and the possible ways of meeting that need.

This man is truly irreplaceable. The whole world will mourn his passing. And indeed it should. In a world torn by clashing interests and irreconcilable ideologies, the loss of a man with the Secretary General's ability to unite, to develop accord, to mediate, to persuade is like the loss of a battalion to a beleaguered army—the army of peace.

Let us hope one thing at least. Let us hope that his life will serve as an inspiration to each of us in every nation to work with our whole will for the kind of world Dag Hammarskjold strived to create, a world of peace and of understanding.

Mr. O'HARA of Illinois. Mr. Speaker, in the years and the centuries to come the name of Dag Hammarskjold will be an inspiration to those whose faith is in peace and for its attainment would give unto the last breath of life. As the chairman of the Subcommittee on Africa, I feel deep concern over the repercussions that will follow his tragic death.

When the Congo attained its independence and there were disturbances that threatened the progress of a new sovereign nation, Secretary General Dag Hammarskjold was intrusted by the United Nations with the great responsibility of both restoring peace and saving the territorial integrity of the new republic. The United Nations troops under his direction were from many nations, mostly African, and none American. He won the plaudits of the world.

Then the bitter denunciation of Khrushchev and his puppets and their loud demands that Dag Hammarskjold should be removed. Dag Hammarskjold stood firm. He was pledged to the mission of peace and the preservation of the territorial integrity of the Republic of the Congo. From that mission he could not be swerved.

Recently came the Katanga episode, and some in the West were beginning to join with Khrushchev in denouncing him. Again he stood firm in the performance of his mission of bringing peace and unity to a new nation and without violation of its territorial integrity. In his mission of peace and of preserving territorial integrity he went, as the dedicated servant of peace and of honor that he was, into an area where he must have known the dangers he faced.

His passing is a loss to the world the extent of which we cannot at this time measure. I have the faith he is now reunited, this prince of peace of our times, reunited in the heavenly home with that Prince of Peace who died on the cross that there should be on earth peace and good will among all men. With bowed head, and a prayer, I shall vote for the pending resolution.

## GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD on Senate Concurrent Resolution 49, and on the life and services of the late Dag Hammarskjold.

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

There was no objection.

## AMENDMENTS TO FARM CREDIT LAWS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1927) to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas [Mr. POAGE]?

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 771), is amended—

(1) by substituting "a fixed number of one or more installments each year" for "a fixed number of annual or semiannual installments" in paragraph "Second" thereof; and

(2) by substituting in the fourth sentence of paragraph "Sixth" thereof the following for all that comes after "but no such loan shall be made to a corporation": "unless the principal part of its income is derived from farming operations and unless owners of stock in the corporation assume personal liability for the loan to the extent required under rules and regulations prescribed by the Farm Credit Administration.".

(b) Section 202(c) of the Federal Farm Loan Act, as amended (12 U.S.C., supp. II, sec. 1033), is amended by changing the word "five" to the word "seven".

SEC. 2. The Farm Credit Act of 1933, as amended, is amended—

(1) by adding the following subsection to section 5 thereof (12 U.S.C. 1131i):

"(f) The revolving funds created by subsections (a) and (e) of this section are hereby combined into a single revolving fund which shall be available for all purposes for which both such funds were heretofore available, and reference in any provision of law to the revolving fund created by said subsection (a) or said subsection (e) shall be deemed a reference to the single revolving fund created by this subsection.";

(2) by changing section 22(a) thereof (12 U.S.C. 1131f(a)) to read:

"(a) Each production credit association shall, at the end of each fiscal year, apply the amount of its earnings for such year in excess of operating expenses (including provision for valuation reserves against loan assets in an amount equal to one-half of 1 per centum of loans outstanding at the end of the fiscal year, to the extent that earnings for the year in excess of other operating expenses permit, until such reserves equal or exceed 3½ per centum of loans outstanding at the end of the fiscal year beyond which 3½ per centum further additions to such reserves are not required but may be made), first, to the restoration of the impairment, if any, of capital; and, second, to the establishment and maintenance of a surplus account, the minimum amount of which shall be prescribed by the Federal intermediate credit bank."; and

(3) by adding the following subsection to section 36 thereof (12 U.S.C. 1134l):

"(d) Notwithstanding any other provision of this Act, in the case of liquidation or dissolution of any present or former borrower from a bank for cooperatives, the bank, may, in accordance with rules and regulations prescribed by the Farm Credit Administration, retire and cancel any capital stock or allocated surplus and contingency reserves or other equity interest, in the bank owned by such borrower at the fair book value thereof, not exceeding par, and, to the extent required, corresponding shares and allocations or other equity interests held by the regional bank in the central bank shall be retired.".

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

## RENEGOTIATION OF COMMERCIAL LEASES

Mr. STUBBLEFIELD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 4934) to authorize the Secretary of Agriculture to modify certain leases entered into for the provision of recreation facilities in reservoir areas.

The Clerk read the title of the bill.

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

Mr. HALLECK. Mr. Speaker, reserving the right to object, may I ask the gentleman from what committee this bill comes?

Mr. STUBBLEFIELD. From the Committee on Agriculture.

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

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

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Chief of Forest Service, under the supervision of the Secretary of Agriculture, is authorized to amend any lease entered into before November 1, 1956, providing for the construction, maintenance, and operation of commercial recreational facilities at a water resource development project under the jurisdiction of the Secretary of Agriculture so as to provide for the adjustment, either by increase or decrease, from time to time during the term of such lease of the amount of rental or other consideration payable to the United States under such lease, when and to the extent he determines such adjustment or extension to be necessary or advisable in the public interest. No adjustment shall be made under the authority of this Act so as to increase or decrease the amount of rental or other consideration payable under such lease for any period prior to the date of such adjustment.

With the following committee amendments:

Page 1, line 3, strike out "Chief of Forest Service, under the supervision of the".

Page 1, line 4, delete the comma after the word "Agriculture".

Page 1, line 5, strike out the words "before November 1, 1956," and insert "with respect to lands under the jurisdiction of the Forest Service".

Page 1, lines 7 and 8, strike out "water resource development project under the jurisdiction of the Secretary of Agriculture" and insert "Federal reservoir project".

Page 2, line 3, strike out "or extension".

The committee amendments were agreed to.

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

## TO AMEND THE DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT, AS AMENDED

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5968) to amend the District of Columbia Unemployment Compensation Act, as amended, with Senate amendment thereto, disagree to the Senate amendment and request a conference with the Senate.

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

The Chair hears none and, without objection, appoints the following conferees: Messrs. ABERNETHY, JAMES C. DAVIS, ST. GERMAIN, KEARNS, and BROYHILL.

## UNITED SPANISH WAR VETERANS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include a telegram.

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

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, today the surviving veterans of the war of 63 years ago are gathered at Little Rock in Arkansas for the annual encampment of the United Spanish War Veterans. It had been my hope to be with my comrades on this occasion, but the legislative situation has made that impossible. I have wired to the encampment this message, which I am sure reflects the sentiment of all my colleagues in this historic body, where 92 veterans of the war with Spain have served and I remain, the last:

UNITED SPANISH WAR VETERANS ENCAMPMENT,
Adjutant General MCELROY,
*Marron Hotel,*
*Little Rock, Ark.:*

From the bottom of my heart I greet you in the unconquerable spirit of '98.

For six decades and more the veterans of the war with Spain have kept aflame the fire of patriotism handed down by the veterans of the earlier wars of our Republic.

As the evening deepens, and our ranks diminish, we still stand at attention, saluting Old Glory and proud in the knowledge that always we have kept the faith with our country and her destiny.

Our country, right or wrong, our country, and where the people rule as in our representative democracy and all decisions come from the people there is a stonewall shield against that which is wrong for mankind.

Ours has been an America unafraid of any power on earth however strong in evil design and equally unafraid of any sacrifice of our lives or property that our own security and our guardianship of the bastion of democracy might demand.

That is the spirit of '98 that as soon as the last of us has answered the final rollcall we shall leave as a heritage to succeeding generations.

In defense of freedom and international morality, Old Glory has never retreated before expediency because when dangers threatened, American hearts have never been faint. Always may it wave in dignity and in honor over a land truly of the free and the brave.

I had hoped and looked forward fondly to being with you. As the Congress is in daily session and the times are trying, I know you would wish me to remain at my post of duty. That, too, is in the spirit of '98.

God bless my surviving comrades of the war that started our country on its road of world destiny. God bless the widows and the families of our departed comrades.

BARRATT O'HARA,
*Member of Congress.*

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks on the Spanish-American War veterans.

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

There was no objection.

Mr. MILLS. Mr. Speaker, it is pleasing to me that the United Spanish War Veterans are now holding their 63d national encampment in the city of Little Rock, Ark. The encampment began on September 17 and will continue through September 21.

We in Arkansas are proud of the fact that this group of fine American patriots again selected our State and our capital city for their annual convention. I join with all of my fellow Arkansans in extending to each Spanish War veteran a welcome and best wishes for a highly successful encampment.

Mr. Speaker, I am aware of the notable work which is done by the United Spanish War Veterans through their representatives in appearances before the various agencies of the Government in carrying out the policies of the organization and, particularly, in promoting the welfare and interests of Spanish War veterans. In this regard, special mention should be made of the laudable and aggressive manner in which officials of the organization represent its members before the Board of Veterans Appeals.

I am proud to join with my Governor and my fellow Arkansans in congratulating this organization on its 63d national encampment at Little Rock, Ark., and in extending to each and every Spanish War veteran the best wishes of my entire State. I know their meeting will be a successful and pleasant one.

Mr. EDMONDSON. Mr. Speaker, I am glad our distinguished colleague, the gentleman from Illinois [Mr. O'HARA] has called attention to the national convention of the Spanish-American War veterans.

The entire Western Hemisphere owes an enduring debt of gratitude to these brave men, whose ranks include our beloved colleague from Illinois.

As they meet in their national convention, freemen in the Western Hemisphere face a new threat to freedom from an even deadlier enemy of liberty—international communism.

May we meet our challenge of the 1960's, Mr. Speaker, with the same courage and unselfish dedication to duty that marked the service of our Spanish-American War veterans, more than 60 years ago.

Mr. MURPHY. Mr. Speaker, in joining in all good wishes to the United Spanish War Veterans I wish to pay a tribute of affection to the memory of a past commander in chief of that fine veteran organization, the late Cornelius Kelly, of the district that I am privileged to represent. Cornelius Kelly was my beloved friend and was tireless as a civic leader in all good works in the ward I represented in the City Council of Chicago. He was a noble representative of the veterans of the War with Spain.

Mrs. GRIFFITHS. Mr. Speaker, I join with my colleagues in extending greetings and good wishes to the United Spanish War Veterans now convened in annual encampment.

Michigan occupies a large and honored place in the history of the War with Spain. Both Secretary of War Alger and General Shafter, commander in chief of the expeditionary force at the siege of Santiago in Cuba, were from Michigan. The second volunteer regiment to land in Cuba, following by a day or two the Rough Riders, was the 33d Michigan Volunteer Infantry, in which our colleague, the gentleman from Illinois [Mr. O'HARA], the last surviving veteran of that war in the Congress, was a corporal. Mr. O'HARA was 15 when he enlisted, and the fact that he was one of seven members of the sophomore class in the Benton Harbor High School who joined up with Company I of the 33d Michigan would indicate that there were many in the fighting force who were under the formal 18-year-old requirement.

Colonel Boynton and his 33d Michigan was at the extreme left of Shafter's attacking force on July 1 and 2, 1898, the line extending from San Juan Hill to Fort Aguadores, where the 33d Michigan was posted. The largest Michigan casualties were in Company M, composed exclusively of sons of Civil War veterans.

The Spanish War veterans have served faithfully and well their country in war and peace. I am happy that today the House is taking notice of their annual encampment.

Mr. TEAGUE of Texas. Mr. Speaker, I am happy to extend for myself and my colleagues on the Committee on Veterans' Affairs our congratulations to the United Spanish War Veterans on the most successful commencement of their annual encampment and our sincere wish that every minute of their reunion will be filled with joy and a sense of high and patriotic accomplishment. I wish to compliment the members of the legislative committee of the USWV on the fine manner in which always they have cooperated with the committee of which I am privileged to be chairman. They have set a pattern for the effective working together of the Congress and the veteran organizations in the common cause of the veterans of all our wars.

Mr. LIBONATI. Mr. Speaker, the bugle spilled its stirring notes of assembly at Little Rock, Ark., today where at their 62d encampment, the veterans of the Spanish American War are assembled. Here the heroes of that victory met to renew the old camaraderie that has been celebrated for many decades in the past. These happy and spirited veterans mull over the memories of the encampments of yesteryear. The great strength that the United States developed militarily and commercially among the nations of the world after the Spanish American War was a direct result of the respect and recognition that these valiant heroes earned for their country.

The Veterans of the Spanish American War continue during peace to contribute their services to develop the sinews of government—many of them serving in very important capacities both in public and private life. We have but to point to the career of one of the greatest of the Presidents of the United States, Theodore Roosevelt, and realize the impetus given to his political career through his distinguished and heroic services with the Rough Riders in that war.

Our versatile and brilliant orator and lawyer, BARRATT O'HARA, formerly Lieutenant Governor of Illinois, and for many terms a Member of the House of Representatives, served with honor at San Juan Hill and the Cuban campaign.

We hope there may be many such encampments in the future where these heroic veterans will meet again. It would come with a sad feeling to the Members of the Congress who each within himself understands the cruel philosophy of life, that everything passes—to so contemplate the great loss to the Nation of their influence for patriotic and civic good which can never be replaced in the future because of their patriotic devotion to duty.

Mr. Speaker, we hold the highest degree of admiration for their contribution to the welfare of our Nation and we pray that the blessings of God will rest upon them that they may continue in their valiant work for God and country.

Mr. HERLONG. Mr. Speaker, I am delighted to associate myself with the remarks of the distinguished gentleman from Illinois in connection with the annual encampment of the Spanish War veterans. A number of these veterans live in my district and while I know that not very many of them have been able to plan to make this trip, they are nonetheless interested, and because of their interest I too am interested.

It is my earnest wish that they have a wonderful meeting and I hope for them that the Congress of the United States will continue to view their problems sympathetically.

## NATHAN STRAUS

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

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

There was no objection.

Mr. RYAN. Mr. Speaker, the passing of Nathan Straus last Wednesday is mourned by millions in New York and throughout the Nation who appreciated his combination of crusading idealism and practical wisdom. Although I never had the privilege of close personal friendship with him, I admired his character and achievements, and I feel a deep sense of loss.

Nathan Straus acquired his abiding interest in housing as a member of the New York State Senate from the upper West Side of Manhattan, an area which I have the honor now to represent in Congress. It is good to feel that we, his neighbors of the West Side, or our parents, had the wisdom to send this intelligent and public-spirited man to Albany, where he served the State and the West Side with distinction from 1921 to 1926 and laid the groundwork for a great career in housing. He saw the need for legislation to regulate housing, for public planning and public construction, and for public-spirited activity in the field of private housing. After his distinguished service in the State senate, he sponsored the privately owned limited dividend housing project in the

Bronx known as Hillside Homes and served as its first president.

As NRA administrator of New York State in 1934, as special housing commissioner of New York City to make a European housing survey in 1935, as member of the New York City Housing Authority in 1936, Nathan Straus built a reputation as an able executive—one who could see what needed to be done and who made sure that what needed to be done was done. In 1937 President Franklin D. Roosevelt appointed Nathan Straus head of the U.S. Housing Authority, and in this capacity he served until 1942, administering an $800 million housing program and establishing policies that have inspired governments, associations, and private investors and builders in some of the most beneficial planning and building.

Since 1943 Mr. Straus' influence has been exerted through WMCA and its associated radio stations. He has been a vigorous champion of the right and duty of radio to express editorial opinion, clearly labeled as such; and the growing importance of the brief editorial, in radio and television, is largely to be credited to his pioneering efforts.

The people of the United States, and particularly the people of New York City, owe honor and gratitude to the memory of this consistent champion of liberal and democratic causes. He was a good neighbor to all of us. Our sympathy goes out to his widow, his brother, his four sons, and his grandchildren.

In conclusion, I should like to associate with my remarks the eloquent tribute to Nathan Straus which appeared in the editorial columns of the New York Times on September 14:

NATHAN STRAUS

All forms of pomposity were poison to Nathan Straus. Born to wealth and social prestige, he spent his life crusading for slum clearance, civil rights and the amelioration of urgent community problems. As administrator of the U.S. Housing Authority under President Franklin D. Roosevelt, he carried through an $800 million public housing program. But his greatest delight was in battling the timorous traditions of the radio industry and turning his independent station, WMCA, into a forthright champion of liberal causes. His death at 72 deprives New York of one of its most enterprising and engaging citizens.

## ECONOMIC PLIGHT OF NATION'S BROILER GROWERS

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

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

There was no objection.

Mr. ELLIOTT. Mr. Speaker, those of us from broiler-producing areas have, for many months, been watching with grave concern the continued worsening of the economic plight of the Nation's broiler growers. A crisis of the meanest proportions can now be observed when we see that in many areas the price which growers are receiving for their broilers has fallen as low as 10 cents per pound as compared to a production cost of about 14 cents. Unless some relief is soon provided for this industry which is of great economic importance to Alabama, a great majority of the independent feed dealers and growers will face certain bankruptcy.

It is apparent that the crux of the problem is overproduction caused by a surplus of laying hens in breeder flocks. Contributing to this overproduction, in large measure, is a practice which has grown up in the industry known as vertical integration—a practice by which poultry production is overencouraged by large feed manufacturers with little regard to the crucial relationship between supply and demand. One does not have to draw pictures to show what happens to the price of a commodity in which the supply greatly outnumbers the demand.

Quick relief must be found to alleviate this growing distress in the poultry industry. As one immediate solution, therefore, I urge that the Secretary of Agriculture purchase from 15 to 20 percent of the breeder hens in the industry for use in the school lunch program and other food programs under the jurisdiction of the Department of Agriculture.

Furthermore, in order to have something to work on before the House, I am today introducing a bill to amend the Agricultural Adjustment Act as reenacted by the Agricultural Marketing Agreements Act of 1937. The amendment is for the authorization of marketing orders primarily for quotas or set-asides to reduce supplies. The effect of this bill, if enacted, would be to turn the price of broilers up again toward an economically feasible level without the need for Government price fixing or subsidies to the broiler growers.

This is the same bill as was introduced in the U.S. Senate by the distinguished Senator from Georgia, Senator TALMADGE, and with whom several other Senators from broiler-growing States joined in its sponsorship.

## NORTHERN VIRGINIA HIGHWAY SITUATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, I rise to inform the House of a most unfortunate and uncalled for criticism made of the Congress by a member of the Virginia General Assembly and to set the record straight regarding the problem of the Shirley Highway in northern Virginia.

On Thursday, August 17 last, Mr. Speaker, the Public Roads Subcommittee of the House Committee on Public Works held a hearing on the Shirley Highway bill which was passed by the House on September 6. During the hearing, several members of the subcommittee spoke critically of the highway services provided by the State of Virginia for its taxpayers in the northern Virginia area where many Members of the House reside while Congress is in session. I took the occasion to point out that the District of Columbia and Virginia receive Federal benefits over and above those granted other parts of the United States, and that in Iowa we have to build our own bridges and do not get any extra bridges from the Federal Government.

The following day, Friday, August 18, the Northern Virginia Sun, a daily newspaper of wide circulation in Arlington and Fairfax Counties, printed on its front page a story about the hearing. It was headlined, "Congressmen Hit Virginia Traffic" and quoted, accurately, I believe, many of the criticisms voiced during the hearing.

In the column adjoining this story was an item headed, "Mann Hits Back." Its first sentence said:

Arlington Delegate Harrison Mann tossed back a few criticisms today at do-nothing Congressmen who aired their views about Virginia Thursday.

Further down, it quoted Mann as saying:

From 1955 to 1959 these blowhard critics and the 10th District Congressman, Representative JOEL T. BROYHILL, sat on their hands and did nothing to implement this agreement.

The agreement he referred to was for the improvement of Shirley Highway.

I ask unanimous consent, Mr. Speaker, that these two stories from the Northern Virginia Sun of August 18, 1961, may be printed in the RECORD at this point in my remarks.

CONGRESSMEN HIT VIRGINIA TRAFFIC—HIGHWAYS ARE CALLED JUNGLES

Congressmen living in northern Virginia aired so many views critical of Virginia traffic, and Virginia in general, that a House subcommittee ran out of time to act on a Shirley Highway bill Thursday.

An Alabama Congressman, who bucks Shirley jams every day, painted a bitter picture of rush hour Shirley:

"A jungle of vehicles in a no-man's land," where a traffic-stalled motorist will never see a policeman if he stays out there till doomsday."

Representative ROBERT E. JONES, Democrat, of Alabama, said he had left his house at 1340 Martha Custis Drive, Alexandria, at 5 minutes of 9 and didn't get to the House Office Building until 10 a.m.

He wanted assurance that Virginia will police Shirley Highway when it takes over ownership of the federally owned suburban section.

JONES and other House Roads Subcommittee members living in northern Virginia have a sort of "hometown" interest in the Shirley bill before the committee.

An "ironclad agreement," guaranteeing that Virginia will maintain the highway and Pentagon network, was demanded by subcommittee member FRANK E. SMITH, Democrat, of Mississippi, who lives at 904 Andover Drive, Alexandria.

Representative SMITH testified that—

"The only work I've ever seen done on highways in Virginia was by convict road gangs and they're always escaping. * * * The guards are so stupid that when two convicts ran off one day, my wife had to call up officials and tell them they'd escaped."

The Mississippi Congressman allowed that he's sorely disappointed at the service Virginia gives her taxpayers and added:

"Nothing's ever been done for northern Virginia—except by the Federal Government."

Like sentiments were expressed by Iowa Republican, FRED SCHWENGEL, of 4005 Nellie Custis Drive, Arlington, who complained that "out in Iowa, we build our own bridges and we don't get all these extra bridges built for us."

District of Columbia funds that finance Potomac bridge building are appropriated by Congress.

The District and Virginia get Federal benefits "over and above those granted any other part of the United States," he said.

The State of Virginia's attitude toward Federal employees swelling the population of its northern borders seemed to puzzle Representative JOHN A. BLATNIK, Republican, of Minnesota, who lives at 2900 North Kensington, Arlington.

"Virginia seems to look on Federal employees as a burden * * * I wish Minnesota had such a burden."

Representative WALTER L. MCVEY, Republican, of Kansas, of 1400 South Joyce Street, Arlington, suggested that truck traffic accounted for much of Shirley's traffic difficulties.

Federal Highway Commissioner Rex Whitton offered the comforting promise that the Capital Beltway will siphon most trucks off Shirley Highway.

MANN HITS BACK

ARLINGTON.—Arlington Delegate Harrison Mann tossed back a few criticisms today at do nothing Congressmen who aired their views about Virginia Thursday.

Virginia agreed in 1955 to take over Shirley Highway and the Pentagon network on Federal terms, Mann said, and then waited vainly for 4 years for the United States to take advantage of her agreement.

"From 1955 to 1959 these blowhard critics and the 10th District Congressman (Republican Representative JOEL T. BROYHILL) sat on their hands and did nothing to implement this agreement," Mann declared.

The Arlington delegate said that in 1959 Virginia "was forced to rescind the agreement, as conditions on Shirley Highway had become so bad that the original contract was out of date."

Mann suggested that if the critical Congressmen "do not represent their constituents any better than they represent the national interest in the metropolitan area, they're doing a sorry job indeed."

Now, Mr. Speaker, anyone actively engaged in politics becomes accustomed to being criticized and called names. I know I have been. I am sure the other members of the subcommittee and our able and distinguished colleague from Virginia's 10th Congressional District, Mr. BROYHILL, have been called names on many occasions.

Many of us do not believe in answering name callers in kind, because by so doing we would simply lower ourselves to their level. The fact is that politicians usually resort to name calling to cover up their own shortcomings. As a general rule, the practice is a mark of smallness.

In this case, my curiosity was aroused by such an unexpected spate of invective. It was particularly surprising because the harshest remarks by subcommittee members during the hearing to which I have referred, came from members of Mr. Mann's own political party—from the Democratic side—and because Mr. BROYHILL spoke not a word of criticism.

I have been making inquiries. The answers have been interesting. For one thing, I have found nothing to indicate any exception to the generalities I spoke of a moment ago about political name callers.

Morning and evening rush-hour traffic is bad on all main highways in northern Virginia, particularly in Arlington. Mr. Harrison Mann represents Arlington in the Virginia General Assembly. Residents of the area long have contended, and have cited figures to prove, that they get back from the State far less in highway and other services, than they pay in in taxes. Clearly, the State government has spent less on highway work in northern Virginia, in proportion to its population and revenue production, than in other parts of the State.

It would be interesting to know if and when Mr. Mann has spoken out strongly on this matter in the State legislature. Not only Shirley Highway but other northern Virginia arteries such as Arlington Boulevard and Lee Highway long since should have been widened and improved to ease the daily bumper-to-bumper traffic jams. There can be little doubt that they would have been improved, had Mr. Mann and his northern Virginia colleagues insisted strenuously on a fair and proper return distribution of the State's revenue income.

I can only repeat that politicians usually resort to name-calling to cover their own shortcomings, and that the practice is a mark of smallness.

Having gotten into the subject, I have also explored the history of the move for improvement of Shirley Highway, which Mr. Mann intimates would have been accomplished earlier if we "blowhard critics" and Mr. BROYHILL had not sat on our hands.

As a result of this digging, I can tell the House without fear of contradiction that there would have been no agreement for widening of Shirley Highway; there would have been no enabling legislation passed by the House, and the project still would be a matter for some time in the future, had it not been for the efforts of our colleague from Virginia's 10th District.

If there has been any foot-dragging on this project, it has been on the part of Virginia. Its officials, up until now, had steadily presented what they knew were unrealistic demands in order to prevent or delay the expenditure of even the State's tiny share of the cost of widening Shirley Highway. Congressman BROYHILL, the Bureau of Public Roads, and the appropriate congressional bodies all have realized fully the urgent need for the project and have sought diligently to bring it to fruition.

Among those who have been the most critical of the Federal Government for alleged delay in this matter, have been Arlington Delegate Harrison Mann and Arlington's State Senator Charles R. Fenwick. And yet I can find no record of any attempt by either to persuade the State highway department, over which Virginia State legislators have the same degree of influence as we in Congress have over the Bureau of Public Roads, to accept a reasonable and realistic compromise.

Officials holding elective office from the same area have an obligation to work together for their area's good, regardless of the specific jurisdiction of the office to which they have been elected. But from my search of the record in this instance, it is obvious that these Arlington County members of the State legislature complained loud and long about the Federal Government without making any effort to end the stalemate on the State end. And an end to the stalemate was what was urgently desired by residents of the area they purport to represent.

Congressman BROYHILL, on the other hand, has conferred repeatedly with Bureau of Public Roads officials, with chairmen of the appropriate congressional committees, with committee members, and all other interested officials in Washington. Not only has he worked diligently in his own official sphere, but on at least two occasions he has gone to Richmond to try to do the job of achieving State action which Messrs. Mann and Fenwick have failed to do.

I might add, Mr. Chairman, that the members of the Public Roads Subcommitee have been fully aware of the dire need to get this project in motion and have done everything they could to encourage all concerned to reach an acceptable compromise. When this finally was done, the legislative action was promptly initiated by the subcommittee.

Yet this Mr. Harrison Mann now has the effrontery to say that Mr. BROYHILL and "these blowhard critics sat on their hands."

I say again, Mr. Speaker, that the underlying reason for political name calling usually is to cover up the shortcomings of the name caller.

Now, Mr. Speaker, I would like to extend my remarks in further verification of the above by inserting a full history of the Shirley Highway negotiations.

THE SHIRLEY HIGHWAY

The Shirley Highway in Virginia was built under the Defense Highway Act of 1941, which provided for construction by the Federal Government of certain highways deemed essential to the war effort. The act stipulated that all such roads would be transferred ultimately to the States through which they traveled, under conditions agreeable to State and Federal officials. The Shirley Highway is the only highway built under this act which is still owned by the Federal Government.

There were desultory discussions between Virginia and Federal officials during the postwar years on the status of Shirley Highway but nothing definite ever occurred. In May of 1954, the Bureau of Public Roads informally asked the Virginia Department of Highways to assume the maintenance of the highway from Virginia Route 7 to the beginning of the so-called Pentagon network, near the Army-Navy Country Club. In further negotiations, the Federal Bureau proposed that the State also take over and maintain the Pentagon network.

By letter dated February 9, 1955, the Commissioner of Public Roads put this proposal in writing, and said the Bureau planned to ask legislation whereby the roads would be improved and turned over to Virginia and the State henceforth would own and maintain them.

On March 24, 1955, the Virginia State Highway Commission approved a resolution accepting the Bureau's proposal.

On April 16, 1956, the Secretary of Commerce transmitted to both branches of Congress legislation authorizing Federal improvement of Shirley Highway and the Pentagon network, and their subsequent transfer to the State for ownership and future maintenance. On June 27, 1956, the able gentleman from Maryland, Mr. FALLON, as chairman of the Public Roads Subcommittee, introduced the bill and a hearing

was held on July 11. Congress, however, adjourned before any action could be taken on the bill.

The following year, 1957, the Commerce Department resubmitted the draft legislation on February 6 and and it was introduced anew by Mr. FALLON on February 20. Mr. FALLON planned to seek action on the bill. By this time, however, the interstate highway program had been started, and there was a delay in the Commerce Department's formal report on the bill. It finally reached Congress in a letter from the Secretary of Commerce dated July 10, 1957, asking that legislative action be withheld while the Department determined whether the work could be performed as part of the Interstate System. There was, of course, no further action that year.

On October 29, 1958, Federal Highway Administrator B. D. Tallamy wrote Virginia Highway Commissioner Samuel D. May setting forth a specific proposal; briefly, it was that part of the proposed improvements would be carried out under the Interstate System with a 95–5 division of costs, and part would be undertaken entirely by the Federal Government. On November 24, the State replied; it pleaded lack of funds and asked that the agreement provide a similar 95–5 division of costs on two other major highway projects in northern Virginia. On December 31, the Federal Bureau replied that there was no legal authorization to accept these additional provisions.

From my personal knowledge as a member of the Public Roads Subcommittee, I know that throughout this period the gentleman from Virginia [Mr. BROYHILL] was doing everything in his power to bring about the quickest possible improvement of Shirley Highway. On May 19, 1959, hoping for a break in the apparent stalemate, he took it up with the Honorable Lewis L. Strauss, then Secretary of Commerce. He outlined the entire case and declared his belief that "it is time the Department of Commerce" took a firm hand in this matter, particularly by resubmitting enabling legislation under administration sponsorship.

Under date of June 8, 1959, Secretary Strauss replied in some detail. He concluded that the Department was "sympathetic to the need for Shirley improvements but that it felt it had cooperated to the utmost in trying to work out the problem, and that it felt the next move was up to the State.

On September 24, 1959, the Virginia State Highway Commission rescinded its previous resolution agreeing to accept title to the Shirley Highway and the Pentagon network.

There ensued minor exchanges of correspondence between Federal and State officials expressing hope that agreement could be arranged. From a practical standpoint, however, there was no progress toward breaking the deadlock.

This past winter, Congressman BROYHILL, impressed by the worsening of Shirley Highway traffic conditions throughout these years of futile and fruitless negotiations, determined that the deadlock had to be broken and improvement work started promptly.

In January of this year, he made a trip to Richmond to discuss the matter with State officials. He brought back a proposal whereby Virginia would accept the Shirley Highway if Federal officials would agree to permit a parallel route to be built through the corridor under the 90–10 Interstate System financing.

Back in Washington, Mr. BROYHILL discussed the matter anew with Federal Bureau of Public Roads officials. They told him there could not be more than one road through any corridor under the Interstate System. Nevertheless, on March 22 he introduced H.R. 5821, which represented the Virginia position.

He did so in the logical belief that the best way of breaking the stalemate would be to bring the entire matter into the open and subject it to the glare of public interest and pressures.

In April, Mr. BROYHILL personally asked the chairman and members of the Public Roads Subcommittee to arrange early hearings on the bill. On May 16, a hearing was held in which Federal witnesses supported the section of the bill calling for widening and improvement of Shirley Highway, but opposed the section providing for designation of a second interstate highway through the corridor.

During the next few weeks, Mr. BROYHILL engaged in numerous conferences with interested officials, including Federal Highway Administrator Rex M. Whitton, Deputy Highway Commissioner Francis C. Turner, and several of their staff aids. The net result was a softening of the Bureau of Public Roads' previous insistence that Shirley should be widened to only six lanes, instead of eight.

Next, Mr. BROYHILL again went to Richmond and again tried to persuade State officials to accept an eight-lane Shirley without insisting on a second highway; future developments showed that he did ease the State's position.

On July 12, the Public Roads Subcommittee held another hearing on Mr. BROYHILL's bill. In that hearing, Mr. H. H. Harris, the State highway commissioner, agreed that the State would accept and maintain Shirley Highway, without any reference to a second parallel highway, if the Bureau of Public Roads would agree that Shirley be widened to eight, instead of six lanes.

The State's new position met with general approval of members of the subcommittee and of Bureau of Public Roads officials present. All concerned agreed to explore the possibilities with the utmost speed and report back to the subcommittee. On Thursday, July 27, Federal Highways Commissioner Whitton and State Highway Commissioner Harris reached a final agreement. On August 4, the Department of Commerce formally recommended to the Public Works Committee new draft legislation which would in effect authorize consummation of the agreement and the bill was introduced individually by Messrs. BUCKLEY, FALLON, and BROYHILL. On August 17, the Public Roads Subcommittee held another hearing and on August 22 it recommended Mr. BUCKLEY's bill, with amendments, to the full Public Works Committee. On August 24, the full committee voted to report the bill favorably to the House.

So, Mr. Speaker, that is the story of the Shirley Highway bill we have passed. Clearly, it resulted from the dedicated, nonpartisan efforts of a few persons like Congressman BROYHILL. Clearly, it has been handled by the Public Roads Subcommittee without any injection of partisan political considerations.

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## THE HONORABLE F. DICKINSON LETTS

Mr. SCHWENGEL. Mr. Speaker, I rise today to pay tribute to a selfless American, one of Iowa's favorite sons and a friend of mine whom I admire, who was recently retired from the U.S. district court for the District of Columbia. I refer, of course, to the Honorable F. Dickinson Letts of whom, now in his 86th year, it may justly be said, "His youth 'gainst time and age hath ever spurned."

During his judicial career which spans a period more than 40 years on the State and Federal bench, Judge Letts has had a rich and varied experience in the different branches of our court system involving a multitude of civil and criminal cases. His retirement from the Federal judiciary after years of outstanding and dedicated service leaves a void which will not be easily filled. His life is a testimony to the Blackstonian observation: "They are the depositaries of the laws; the living oracles, who must decide in all cases of doubt, and who are bound by an oath to decide according to the law of the land."

I consider myself fortunate and indeed proud to represent the congressional district which was so ably represented by Judge Letts during the 69th, 70th, and 71st Congresses.

F. Dickinson Letts was born on a farm in Washington County, Iowa, April 26, 1875, the son of David Grove Letts and Hannah Gale Dickinson Letts, direct descendant of Nathaniel Dickinson, Hadley, Mass., who was born in Cambridge, England, and settled in Massachusetts in 1630 and of Nehemiah Letts a revoluntionary ancestor. His father served in the Civil War.

Judge Letts received his secondary education in the public school system of Iowa. The first school he attended was Pine Grove which was constructed on one corner of the family homestead, donated to the school by David Grove Letts. His first religious training was received in the Bethel Presbyterian Church erected at the opposite corner of the homestead, likewise donated by his father. He graduated with a B.S. from Parsons College. This same institution paid tribute to its outstanding alumnus by conferring upon him the degree of doctor of laws.

Ever inclined toward the law, he attended Columbia University and the University of Iowa schools of law, graduating from the latter in 1899. Admitted to the Iowa bar, he immediately entered the private practice of the law at Davenport, Iowa, a focal point from which he engaged in a wide range of civil practice. His work encompassed both trial and appellate activities. In March 1911, then Governor Carroll appointed him judge of the Seventh District. He served in the capacity of State district judge, with the exception of 2 years, until his resignation on February 28, 1925. Thereupon he was elected to this body where he served capably, always upholding the interests of his constituents. During this period he served on various committees, including Banking and Currency, Elections, Expenditures in the executive departments, Indian Affairs, Patents and Public Lands. The CONGRESSIONAL RECORD testifies to his intense and lively interest in copyrights and Indian affairs.

On May 5, 1933, President Herbert Hoover appointed him to the Supreme Court of the District of Columbia, now the U.S. District Court for the District of Columbia. He served as chief judge from November 15, 1958 until August 6, 1959. Contemporaneous with his early Federal judicial service, Judge Letts lectured in the Washington College of Law on damages and in the National University Law School on mortgages.

Judge Letts' many years in the judiciary were "sprinkled" with cases involving novel situations and problems of national significance; cases which have left a lasting imprint in the annals of the law. As a State district judge he awarded a judgment for $750,000, the largest sum up to that time in a civil suit in Iowa. In another case which involved a disputed signature, he found it necessary to render an opinion based on his own experience and the Supreme Court of Iowa in recognition thereof upheld the decision.

Soon after his appointment to the Federal bench, Judge Letts ruled against the right of apartment house proprietors to sub-meter gas to their tenants for a profit. This opinion was followed throughout the country. Another case at which he presided, which likewise received national attention, was an action brought in an attempt to restrain the Secretary of State from exercising his official duties to declare the repeal of the 18th amendment. He presided over a large number of important and much publicized criminal cases, including the wartime trial of George Sylvester Viereck, and more recently the trial of a murderer of a District law enforcement officer.

The last 3 years of Judge Letts' career have been among the most strenuous he has experienced. His name became known from length to breadth of the country in his handling of the case to enjoin James M. Hoffa's right to the office of the president of the Teamsters Union. Out of that action came the appointment by Judge Letts of a board of monitors commissioned to see to it that reforms were brought about in the union. His judicious handling of this much publicized case has led one observer to remark: "The firm and patient manner in which Judge Letts handled this difficult and tedious matter is a tribute to his career on the bench. Many younger men might have found the strain on both patience and energy too great."

Judge Letts was married to Josephine Nell Haney of Muscatine, Iowa, July 20, 1916. They have no children, but raised Dorothy Hyla Haney, a niece, as if she were their own.

Judge Letts is a 32d degree Mason and a member of the Sons of the American Revolution, State Historical Society of Iowa, Chevy Chase Club, Lawyers Club of Washington and a former trustee of Parsons College. He is a member of the Beta Theta Pi Fraternity, Phi Delta Phi Legue Fraternity and Phi Kappa Phi Honorary Fraternity. He is a member of the Chevy Chase Presbyterian Church.

All Iowans and every American has every reason to feel pride in his career, and length and devotion to public service. I know that I express the sentiments of the citizens of the State which I have the honor in part to represent when I wish for Judge Letts many years of health and happiness and continued usefulness to his fellow man.

Mr. Speaker, the following is a story published recently in the Davenport Times, Davenport, Iowa that reflects further on the marvelous record of this Iowa statesman:

F. DICKINSON LETTS, 86, DEAN OF U.S. DISTRICT COURT, RETIRES

(By Dorothy Williams)

WASHINGTON.—Anyone who thinks that Iowa-born Judge F. Dickinson Letts is quitting the Federal bench here just because he says he wants to retire is wrong.

The 86-year-old dean of the U.S. district court here still hopes to don his judicial robes from time to time and sit on the bench under a law which allows retired judges to help out in Federal courts.

GOOD REST

"If I retire," Letts explained, "I am not under a requirement to sit but I am privileged to carry on. It's my hope," he added, "that after a good rest this summer, I can go ahead with work this fall."

After his retirement, Letts hopes to go with his wife, Josephine, to Massachusetts to summer on the north side of Cape Cod—the other side of the Cape from where President Kennedy and his family have their homes.

"I found that the heavy winter here this past year tired me," Letts said, "and I want to be free, if we should have more weather like that, to go somewhere and soak up some sunshine." He could have stepped down from the bench 16 years ago at full pay, but he prefers to remain active.

LIVED IN DAVENPORT

Letts, who was born April 26, 1875 in Washington County, Iowa, and lived for many years in Davenport, first came here as a Republican Member of the U.S. House of Representatives from that area. He recalls that E. P. Adler, the late publisher of the Daily Times, was the one who persuaded him to run for that congressional seat.

His legislative service was ended when President Herbert Hoover appointed him to his present post on May 5, 1931. From November 14, 1958, to August 6, 1959, he served as chief judge of the court.

Although Letts is best known nationally for his creation of the board of monitors to supervise the International Brotherhood of Teamsters, he does not look upon this as either his most important or most interesting judicial experience.

Two other cases come to mind when he looks back over the 30 years on the bench.

One was a patent case with so many litigants from the United States and abroad that they, with their counsel, completely filled Letts' courtroom. The dispute concerned rival claims over the rights to a process of hardening gypsum for the purpose of making building material.

It developed in the course of the testimony that trade publications long had been suggesting possible ways to solve the problem of finding a suitable binder for gypsum.

EXPERIMENTS

Then came a publication that advised trying a substance derived from boiled seaweed as a binder. Apparently this recommendation led to experiments by a host of companies.

Letts found in favor of the U.S. Gypsum Co. since in his opinion that company was the first to reduce the boiled seaweed process to a commercial practice.

The Iowan also recalls with interest a case that brought another courtroom full of litigants to Washington for the sale of 200 to 300 acres of a Federal Government reservation in Alaska.

"They all had to come here," Letts explained, "because the Secretary of the Army, the necessary party, could only be sued here."

KIND MAN

A kindly man with a warm friendliness, Letts treasures most from his experience "the confidence and good will which I think I have had from members of the bar and associates on the bench.

"I think," he volunteered, "that it is important to every judge to have that relationship."

Letts expresses one of his basic beliefs when he says "I think you must always give every other person with whom you deal the benefit of good intentions until you find your faith is not justified.

TREAT OTHERS

"You can't get along well," he said, "if you treat others in a spirit of distrust.

In this Letts is practicing what he preaches when he instructs jurors that under the American system the accused is presumed to be innocent until his guilt is proven.

The jurist and his wife have one daughter, Mrs. O. R. McGuire, Jr., the wife of a member of a prominent District of Columbia law firm, and a grandson and granddaughter. The McGuires live in nearby Vienna, Va.

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## WHY THE DISCRIMINATION?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point.

Early this year it was my understanding that if I obtained 100 cosponsors to House Concurrent Resolution 4, a hearing would be granted by the Ways and Means Committee.

The resolution expresses the sense of Congress that there shall be no further concessions granted during the lifetime of the Reciprocal Trade Agreements Act which must be extended next year by the Congress or it will die.

Seventy-two of my colleagues have joined me as cosponsors, but we have had no opportunity to have our day in court.

Whereas, normally, I do not care to criticize a committee of the House, I would be remiss if I did not call attention to the fact that the Committee on Ways and Means has concluded hearings on a bill which would not only place a tariff on shrimp but would impose import quotas.

That bill had 12 sponsors.

Our bill has 73 sponsors.

Our bill does no violence to the principle of reciprocity; it merely calls for a temporary halt in concessions until a more thorough study may be made of the administration of this program and its impact upon the domestic economy.

The shrimp bill, on the other hand, is a straight protectionist bill, in the philosophy of the Smoot-Hawley Act.

How long, Mr. Speaker, must 73 Members wait for our day in court?

There is a real need to reexamine, with great care, the impact of foreign trade on our domestic economy. It is significant to note that in spite of a general economic upswing, employment continues to fall in my State.

Latest data prepared by official sources, show unemployment in July was 11.9 percent as against 11.7 percent in June, and 11.6 percent in July of 1960.

Here are some significant figures for industries directly and adversely impacted: Glass products, 15 percent unemployed; pottery and related products, 3.1 percent unemployed; coal mining, 38.9 percent unemployed.

My colleagues may wonder why I wage this fight to bring some sanity into the foreign trade program. These data are all the justification I need.

Mr. Speaker, one of the remarkable changes in today's world is the inability of our industries to compete with those of foreign countries in our own and in foreign markets. Traditionally, although we have maintained the highest standard of living in the world, we have been able to compete with other countries because of mass production methods and of technical superiority. Today we are no longer assured of primacy.

Since World War II we have been engaged in a worldwide "giveaway" program in which we have advanced financial aid to other countries in order that—in the immediate postwar years—such nations might rebuild their wartorn economies to a viable position and, inevitably, take over some of our markets. Later, we began a similar program of technical assistance and other aid to the less-developed countries so that they might industrialize in a short period of time—a process that took two to three centuries for today's industrialized nations. Here, we experienced discrimination against our products in order to permit such nations to establish an industrial base.

Concomitantly with our aid program, we have cooperated with other nations in the General Agreement on Tariffs and Trade—GATT—under what is euphemistically called a reciprocal trade agreements program. As a result, we have consistently lowered our tariff rates until today they are only a fraction of their original amount. I am sorry to say that other nations have not lowered their tariffs on a reciprocal basis. Perhaps this was inevitable given the postwar difficulties in the free world. Nevertheless, the fact remains.

Thus, today we are faced with the serious problems of import competition and competition in world markets which are largely the result of our own foreign economic policy. A stronger position against dollar discrimination might have alleviated the situation. Billions of dollars have been spent to reconstruct and modernize foreign industries, much of which has come from the pockets of American taxpayers. Lowered tariffs have permitted entry of foreign products to our domestic markets in a veritable flood—products which can sell much cheaper than our locally produced goods because wages are lower, raw material prices are more favorable and, in many cases, the industry is more modern than ours.

Small wonder that Congress has never given formal approval to the GATT and that each year there is deeper and deeper concern when the foreign-aid program comes up for consideration.

Today, the proverbial chickens have come home to roost. We find our balance-of-payments badly out of balance; with the exception of 1957 when there was a small surplus, there has been an adverse balance every year since 1950. True, only in 1958, 1959, and 1960 did it reach unmanageable proportions. We cannot permit such an outflow as occurred in these 3 years to go on for any length of time. Today, it is more favorable but it has required appeals to other nations, a costly export promotion program, restrictions on U.S. travelers abroad and other measures to alleviate the situation. I do not imply that imports are the sole cause of this anomaly, but it does seem to me that they are one of the chief bases. Indirectly, import competition has caused such other factors as increased foreign investment which contribute to the difficulty.

Indirectly the gold outflow dampens our own industrial activity because it adds to the pressure on the Treasury Department to increase interest rates on current and future borrowing. Naturally, the more costly investment is, the less there will be.

So serious has become the problem of import competition that many American firms have established branches abroad so that they can reap the benefits of lower production costs, which enables them to supply foreign markets on a competitive basis with other nations. Many American firms now produce abroad for the American market.

Needless to say, with our aid foreign countries have made tremendous strides in improving the productivity of labor. Since wage rates abroad are much lower—sometimes as much as 75 percent—American industry finds it difficult to compete, particularly in labor-intensive industries. Recently the French National Institute of Statistics and Economic Studies surveyed hourly wages and fringe benefits in manufacturing industries, April 1959, with the following results—in U.S. dollars:

| Country | Hourly wage | Fringe benefits | Total cost per hour |
|---|---|---|---|
| Italy | $0.35 | $0.26 | $0.61 |
| Netherlands | .44 | .13 | .57 |
| France | .47 | .24 | .71 |
| West Germany | .54 | .24 | .78 |
| Belgium | .56 | .17 | .73 |
| Switzerland | .67 | .10 | .77 |
| United Kingdom | .68 | .10 | .78 |
| Sweden | .94 | .14 | 1.08 |
| United States | 2.22 | [1] .46 | 2.68 |

[1] Excludes 7.3 cents in paid lunch and rest periods, travel and makeready time, which are not considered social charges in other countries.

The recent action of the House of Representatives in proposing that any country receiving foreign aid must agree to limit exports of any industry aided by our mutual security program to 10 percent of annual production is a step in the right direction but will not, of itself, prove adequate.

In the remainder of my remarks, I shall address myself to the situation in three industries which are important to West Virginia and show the effect of our present program upon West Virginia's economy.

West Virginia's coal industry is struggling for survival. It is my State's most important industry. Bituminous coal production in 1958–60 was the lowest for any 3-year period since the depression of the 1930's. Gas and fuel oil have almost entirely superseded coal as home heating fuels; the introduction of electric and diesel fuel locomotives on our railroads have almost eliminated coal from a second major market. As more pipelines are constructed, both natural gas and oil penetrate into more markets where coal was either the major or the only available fuel.

In West Virginia about 30 percent of all U.S. coal is mined. Coal production in the United States was 621 million tons in 1947, but, in 1960, it had declined to about 417 million tons. The National Coal Association estimates that 1961 production will be about 423 million tons. West Virginia has suffered concomitantly with this national decline in soft coal production. State mining employment dropped from 138,000 in 1948 to 68,000 in 1958. In mid-April 1961 only 45,800 were employed, a decline of 12,300 from mid-April 1960. It would be presumptuous of me to say that all of the difficulties of West Virginia's coal industry are the result of import competition. However, I do contend that a fair position with respect to imports of residual fuel oil and natural gas would materially aid my State's coal industry.

The Federal Government has, by reducing tariffs on residual fuel in 1952 and by liberal quotas for imports of such oil in most years since that time, permitted a vast increase in the imports of residual oil in the past dozen years—from 53 million barrels in 1948 to 181 million barrels in 1958 and to approximately 200 million barrels in 1960.

In 1960 residual oil imports displaced about 48 million tons of coal production, or about 8½ percent of total production. This is a small percentage, perhaps, but it strikes with devastating effect on the coal-producing sections of West Virginia, Pennsylvania, Virginia, eastern Kentucky, and contiguous areas.

Mandatory import controls on residual imports have done little to allay this problem. In fact, they frequently have been breached to accommodate those importers who claim that their allowances were too small initially or whose customers want more oil.

Additionally, there has been a tremendous increase in the importation of natural gas from Canada. During the summertime, when demand is slack, natural gas is dumped at less than cost under utility boilers. This, I contend, is a wasteful use of a premium fuel when adequate supplies of coal are available.

American coal resources are virtually unlimited. Our known petroleum reserves could last 20 to 40 years, available natural gas fewer years than that even with Mexican and Canadian sources.

Residual imports, of course, help in prolonging the life of our petroleum and

natural gas, but what if war comes? As in the past, much reliance would necessarily be placed on coal. It is true that coal's productivity increases rank above virtually all other industries and that cost has remained practically stationary since 1950, but import discrimination must cease if the industry is to survive.

As an example of the loss from import competition, I quote from the CONGRESSIONAL RECORD of August 21, 1961:

Joseph E. Moody, president of the National Coal Policy Conference, last month gave a House subcommittee this picture:

Based on 1959 figures, coal at the mouth of a West Virginia mine was worth $5.12 a ton. Since the average production for the West Virginia, Pennsylvania, Virginia, and east Kentucky area is 10.63 tons per man a day, this would mean that—in the value of the coal alone—each million barrels of residual oil replacing coal would mean a loss of $1,229,000 at the mines.

LOSE 22,580 DAYS

The number of man-days lost would be 22,580. That would mean a pay loss of $587,000 to the miners. Supervisory, clerical, and other employees would lose another $96,000.

Since local and State taxes average about 15 cents a ton, that would represent a loss of $36,000 in tax moneys.

The United Mine Workers welfare fund, which gets 40 cents a ton royalty, would lose $96,000.

Mining concerns spend about $1.50 a ton for mine supplies, power, rental, and depreciation. That would be another $360,000.

Virtually all coal moves to the eastern markets by rail. The railroads get an average of $4 a ton for shipping costs. The rail revenue loss would be $960,000.

When all these figures—and others—are put together, Moody told the Congressman, the total loss for every million barrels of imported residual fuel which takes the place of coal runs to more than $4.400.000.

LOSE MILLION WAGES

"Imports in 1961 are expected to be about 77 million barrels greater than they were in the 1957 base year," Moody said. "When we multiply the loss of $4,400,000 per 1 million barrels by 77, I think everyone can begin to comprehend just how serious the total cumulative effect of excess residual fuel oil can be to the economy of a substantial part of the Nation.

"Wage loss alone in the mining areas for mineworkers, employees of suppliers, and railroad employees, for every million barrels of residual fuel oil which displaced coal is equal to more than $1 million."

The quotation was inserted into the RECORD by my colleague, the gentleman from West Virginia, Representative KEN HECHLER, reprinting an Associated Press article which had appeared in one of the Huntington, W. Va., papers.

In my opinion, President Kennedy made a serious error when he returned for further study the recent Tariff Commission recommendation to raise tariffs on crown, cylinder, and sheet glass. Unanimously, the six Commission members had ruled that an increase was necessary to protect the domestic industry from serious injury from import competition. Four of the six Commissioners agreed that rates should be increased by amounts ranging from 1.3 to 3.5 cents a pound, while the other two recommended even higher rates of 1⅞ to 3¾ cents per pound.

Surely anyone who has followed the vicissitudes of the American glass industry for any length of time can see the need for protection.

The ratio of imports to total domestic shipments in 1955 was 15.4 percent; by 1958 it had jumped to 27.2 percent; and in 1960 it reached the high point of 32.5 percent.

During the same period U.S. exports of sheet glass declined substantially; they now amount to less than 1 percent of total domestic shipments. Of necessity, this fact has jeopardized thousands of American jobs.

In 1950 imports of sheet glass were 31.7 million pounds; by 1959 they totaled 502.6 million pounds, an increase of 1,485 percent in a decade.

Exports declined from 13.4 million pounds to 4.3 million pounds in the same period.

Meanwhile, the tariff rates on sheet glass had declined from 60 percent in 1939 to 14.8 percent in 1959. The latest series of tariff reductions were in 1958 with a consequent jump in the import ratio to total production from 17.1 percent in that year to 27.2 percent in 1959.

The chief importer of window glass is Belgium with 40 percent of total imports. Japan is coming up rapidly. In 1956 she exported to the United States about 10 percent of our total imports; by 1959 she sent 15 percent of our total. Between 1958 and 1959 imports from Japan more than doubled.

In summary of the glass industry situation, the Tariff Commission determined that between 1955 and 1960 cylinder, crown, and sheet glass imports increased 64 percent while domestic production for the same period declined 18 percent, the quantity shipped dropped 20 percent and the dollar value of sales decreased by 25 percent. During the same period the share of the U.S. market supplied by U.S. producers declined from 87 to 75 percent. Employment in the industry declined from 8,523 in 1955 to 7,134 in 1960—these Tariff Commission estimates are for 16 U.S. plants producing sheet glass. It is no wonder that 13 glass companies in the Wheeling, W.Va. area alone have ceased operations in the last decade.

These figures should be pondered by every thinking American.

Our pottery and related products industry has declined from almost 5,000 employees in 1957 to 3,300 in April 1961. This constitutes a drop of 400 from April 1960. Average weekly earnings declined from $73.00 in April 1960 to $68.90 in April 1961.

The situation has become so serious that the International Brotherhood of Operative Potters has recently approved a resolution seeking relief from foreign competition through a "fair and just tariff."

Throughout this presentation I have neglected to mention the human factors. Many West Virginians, particularly in coal mining, have been unemployed for 1, 2 or 3 years. Once their unemployment insurance is exhausted they have relied on odd jobs, State employment, migration, and whatever other means available in order to subsist. I have previously pointed out the tremendous decline in employment in the coal mining, glass, and pottery industries.

## "BACKGROUND, BERLIN, 1961"—FORMER PRESIDENT EISENHOWER COMMENTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. LAIRD] is recognized for 60 minutes.

Mr. LAIRD. Mr. Speaker, on Thursday, September 7, I took the floor of the House asking the State Department to withdraw its pamphlet, entitled "Background Berlin, 1961" until certain inaccuracies could be corrected. This pamphlet contained a deliberate misrepresentation regarding the background of the Berlin situation. The most glaring example was contained on page 5 of the pamphlet, and I quote:

The Western armies could have captured Berlin or at least joined in capturing it. But the Supreme Allied Commander, General Eisenhower, believed that they could be more usefully employed against the major German forces elsewhere. As a result, the Soviets captured Berlin, but when Germany surrendered, the Western armies held much more, and the Soviets much less, than the areas assigned to them by the four power occupation agreement of September 1944.

It is my understanding that following my remarks, the Secretary of State, Dean Rusk, called former President Eisenhower in Gettysburg and expressed his regret over the wording of this section. As of this date, although I received a letter from the Secretary of State, I have received no word as to whether the second printing of this pamphlet has been corrected.

Mr. Speaker, under unanimous consent I wish to include in the RECORD a letter which I received this past week from former President Dwight D. Eisenhower:

GETTYSBURG, PA., *September 12, 1961.*

Hon. MEL LAIRD,
*The House of Representatives,*
*Washington, D.C.*

DEAR MEL: Not only does the State Department pamphlet confuse history by its attempt to telescope into a sentence or a paragraph the events of months, but I think it is clear that there are erroneous implications and inferences to be drawn from the document. The Secretary of State has told me that none of these were intended.

Yesterday, here in Gettysburg, when asked in press conference about the 1944–45 events surrounding this Berlin matter, I responded in some detail. The enclosed copy of my press conference remarks may help clarify the very complex situation that existed 17 years ago.

Some salient points are these:

1. The political leaders of the day determined long before the closing campaign of the war upon dividing Germany, for occupational purposes. They decided upon this course despite contrary military advice.

2. I urged a different solution for Berlin than was agreed upon in London, and which I have always understood was finally approved by the heads of government at Yalta. (The pamphlet gives September 1944 as the date of final approval.)

3. In the light of political decisions already reached to dispose of central Germany, it was futile, especially when there were important military tasks to be performed elsewhere, to expend military resources in striving to capture and hold a region which we were obligated, by prior decision of a higher authority, to evacuate once the fighting was over.

4. Being unfettered by political decision as to other areas, I directed troop advances toward Denmark and Austria.

5. The Western Allies front being some 250 or more miles to the west of Berlin when the Soviets, with a bridgehead already established west of the Oder, were 35 miles to the east of Berlin, it is indeed a venturesome military critic who would now contend that the Western forces might have taken Berlin before the Soviets could or did.

6. Any inference that military action, taken subsequently to the political decision for occupation, played a significant role in producing the political situation today prevailing in Germany is not correct.

With warm regard.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. Speaker, I ask unanimous consent to include at this point in the RECORD a transcript of the press conference held with former President Eisenhower at Gettysburg on September 11:

General Eisenhower first explained that the Congressmen present had graciously relinquished 10 minutes of their time allotted for questions. The Congressmen would therefore have 20 minutes for questions, the press 10 minutes.

Mr. BATTIN, of Montana. Question regarding Department of State Bulletin "Berlin, 1961." This statement relative to World War II appeared, and I quote: "The Western armies could have captured Berlin or at least joined in capturing it, but the Supreme Allied Command under General Eisenhower believed they could be more usefully employed in a major offensive elsewhere." The impression left in reading the article is that the decision made then is a primary cause of the troubles there now. I wonder if you would care to comment on this.

General EISENHOWER. I have read short extracts from this report. The Secretary of State called me up this morning to say there is a misapprehension—that his Department never meant this language to be critical but wanted it to be completely historical. But the problem—he mentioned this—is that when you try to compress 5 years of activity, or 5 months of activity, into a single paragraph, you probably give birth to some, if not inaccuracies, at least misinterpretations or misunderstandings. Now, according to the Secretary of State, they meant to question nothing that was then done. But without attempting to answer any of the specific statements, because I don't know what all of them are, a short background might be useful to clarify this thing.

There was in London—most of the newspaper people in this room have heard me tell this story several times—all during 1944 the European Advisory Council. This was made up of representatives from Britain, the United States, and the Soviets. It sat in London to do a lot of coordinating, but what we were interested in was that it developed the plan for dividing up Germany after it was captured. Now, this Council agreed upon certain boundaries as a political decision. These were approved by the heads of government, and they became the occupied areas. As I understood it at that time, the final approval of the three heads of government was given at Yalta, in January of 1945, but I see this document—I don't question its accuracy; it may be correct in this regard—says it was in September of 1944 that this approval was given by Mr. Roosevelt, Mr. Churchill and the Generalissimo.

In any event, I sent my chief of staff to Malta, when Mr. Churchill and Mr. Roosevelt met there preliminary to going to Yalta, to say that we did not believe there should be a division. We felt that there should be a single Germany administered by four representatives, and here I should explain the fourth representative. France was not originally given any sector or any part in the government. Britain and the United States felt that they should have representation, but the only way we could bring that about was to take it out of our own sectors, not out of the Russians'. They wouldn't give any area; they didn't care whether France was in it or not.

Now, since the "powers that be" said there had to be four sectors, and the boundaries for the sectors in such a way that they started from in Lubeck in the north, Eisenach in the middle, and then all the way down toward Linz, it was obvious that any area we captured thereafter we were going to have to evacuate. That was the situation we faced.

The area was so laid out that Berlin was 110 miles inside the Soviet zone. So the next suggestion was made. Remember—get this straight—we were then soldiers; we were just making suggestions; we were not politicos trying to make decisions, that was not our province. But we as well as some of the politicos had had experience with these Soviets and knew how difficult they were to get along with. So now we suggested the building of a cantonment type of capital. This wasn't accepted either. But we thought that if we could put this cantonment at the junction of the British, American and Rusian zones we would have less trouble. At that time, anyway, Berlin was a pit of rubble. But with the capital established there, people moved back. Construction went up, and it became again a great city.

Now, that was the situation that existed politically when we planned our last attack. The allied forces were on the Rhine, 250 to 300 miles from Berlin, with that city lying beyond the Elbe, which is no mean military obstacle. On the other hand, the last Russian attack, had brought the Russians within 30 miles of Berlin. Already they had bridgeheads west of the Oder—that is, they were ready to move against Berlin whenever they wanted to, with no obstacle between. My job was to destroy the German forces on my front and then to gain as much of the ground as had not been given away by political decision. The remaining ground was in Austria on the right, and on the left to make sure the Russians did not get into Denmark. They did get into the Island of Bornholm, and later, it was difficult to get them out.

So as soon as we got to Leipzig, which was 150 miles to the eastward of the limiting line for occupation, I shot Patton and Devers down as far as Linz and possibly a little further. We made sure that the Soviets could never go further.

Now, it is easy enough to say we could have participated in the Berlin reduction. But remember, we had the Battle of the Bulge completed in midwinter. The first crossing of the Rhine was the 7th of March at Remagen, where we captured the bridge. On the 23d Patton made a surprise crossing further up the river, and down on the left we were planning a power crossing by Montgomery, helped by the American 9th Army, on the 24th.

This was less than 6 weeks from the date when the war ended. How we could have gotten all the equipment up to cross the Elbe and made sure that we could have gone on and taken Berlin is a little beyond me, because much as we wanted to go faster, the conditions on Montgomery's flanks were such that he could not make his attack earlier than the 24th. He had floods and all that sort of thing to contend with.

So to say that any military decision, no matter what it was then, would have saved the present difficulty with Berlin, is just—well, history is being written by someone who just doesn't know what took place. That is all there is to it.

General Eisenhower then reminded his questioners that they were supposed to identify themselves before each question.

TOM SCHROCH (Congressional Quarterly). At least one of the members that you had with you today is a member of the John Birch Society. Will you give us your opinion of the John Birch Society?

General EISENHOWER. No, and I don't think that is a proper question.

Mr. MCGREGOR of Minnesota. Mr. President, going back to your answer a moment ago in connection with the Berlin situation, if I recall correctly there was a military decision to mount an airborne assault on Lubeck to deny to the Russians the control of the Kiel Peninsula. Am I correct, sir, in thinking that there was also a military plan made by you or your staff about an airborne assault on Berlin, but that plan was countermanded at a higher or political level?

General EISENHOWER. No, I think there was no plan for attacking Berlin. Ridgway had the XVIII Corps; Ridgway was turned over to Montgomery to make sure that we had the northern flank secured and Denmark safe, but I don't think we ever planned any airborne attack, and had it been done I would have had to approve it.

Mr. MCGREGOR of Minnesota. Mr. President, continuing this same line of thinking, your administration was criticized for brinksmanship on occasion. We have continued in the current administration to have repetitive crises. With hindsight better than foresight, would you care to comment on whether or not this is the best way to prevent communism?

General EISENHOWER. Well, you know that people like to pin labels on an idea, presumably they mean something. Take this label of "brinksmanship." Now, we say today we are going to be firm, but we are not going to get into war. That is all brinksmanship is. You are just saying you will not be shoved around. I say that is the only way that you can be best guaranteed against getting into war—to be sure that the other fellow knows every minute that you are ready to go to war if he damages your vital interests or is contempuous of your rights and convictions when you know you are working under moral law and principles. Well, that is the only way you are going to save peace.

Now, I don't know just what is happening in Washington today. But I say this. As long as we are dealing in an atmosphere of crisis, whatever is planned and programed by our President, we have got to support, because that is the only way the United States can be unified. He is the constitutional spokesman for the United States in foreign affairs; when we are into this kind of thing we have got to stand right with him. This does not mean that when we look at things in the past, whether a week, months, 5 years or 20 years ago, we must be silent. After all, we are people of intelligence and we can comment as we please.

But when it comes to policies, I say you have to be firm, but you ought to be conciliatory, you ought never to be truculent, but you just ought to say "we cannot be pushed around." We have got the strength to make sure that we will not be. But we should always be conciliatory. We should not get up and make nasty speeches just like Khrushchev does. We are not going to be nasty. I think it is better just to say no and then go on about your business. And don't say no every day. Just say it and let them know you mean it.

Mr. President.

BILL SCRANTON, of Pennsylvania. In view of the present state of world tension, do you think this is a good time to start negotiating about Berlin and if so, what is negotiable?

General EISENHOWER. Well, I don't know what top people are talking about nogotiation at this moment. So far as I know, Mr.

Adenauer and West Germany have always been firm in their contention that the problem of Berlin could not be met except in the context of uniting Germany. And as for the Allies, I think that Britain, ourselves, and France took that same attitude all the time I was in the White House. If we are committed to preserving the status quo, then I think we are getting a little bit absurd, if we are talking about giving something away because the status quo represents not only our rights but the principle of freedom as opposed to the principle of dictatorship. Communist domination is the issue at stake. So I don't think there is anything particularly to negotiate.

BRAD MORSE of Massachusetts. Three years ago, Mr. President, we experienced a crisis in Berlin apparently much like the one we confront today. Under your leadership, the situation was resolved without the sacrifice of American rights or the rights of the Western allies, without a cold war mobilization or a *drastic* budgetary increase. In what respects, Mr. President, do you regard the current situation as being more complicated than the 1958 situation?

General EISENHOWER. Of course, here is an answer that is very difficult to give off the top of your head because the only information I have is that given normally in the newspapers. The only difference that I know of is that Mr. Krushchev seems to be talking more loudly and more often and more bitterly, and he just keeps talking. I tried to say during all the years since this war was over, and long before it was started, that in all of this business of taking care of your own security, it is essential to develop your own defense plans to keep them up to date, to keep them vital, vigorous, and adequate, but the last thing you must do is to increase your forces every time there is new alarm on the horizon or on the other hand, to reduce them when there seems to be a quiet spell in the offing.

Now, through our history we have been too complacent, feeling too secure behind our two oceans, and getting in trouble as a result. I think that if we would pursue a properly thought out program of our own, we would not have to respond to Mr. Khrushchev everytime he yells "yap" or "wow" or anything else. That is what he does. I think one thing he is trying to do is to split us away from our allies. Remember this, we are bound together by basic principle, but every nation sees certain of the results in settling a particular question differently than we do. Britain couldn't possibly, with its background, see everything the way we do. France would be different from both of us, in particular answers. What we have got to say is, "talk and try to divide all you want to, we are together, we are unified, because we are supporting humans in their dignity and their rights and their liberties." That is what we are doing. It will keep our realization of those values. Then I think his efforts to split us apart will be doomed.

Mr. President, Sir, could you——

General EISENHOWER. Wait a minute, one more congressional question.

DICK SCHWEIKER of Pennsylvania. On the basis of your experience, what do you think the real reasons are for Khrushchev's resuming atomic tests?

General EISENHOWER. I really don't know. As I say again, I think it is basically something to try to split us apart. Many of our scientists believe that the Soviets have been testing all this time, and our scientists have been very, very impatient. I don't mind telling you that back as far as October, I thought it was time that we ourselves—having already announced the right to do so—to get ready to test again. But when I made this decision, I also decided that as long as there was a different philosophy coming into the White House as a result of the election—that unfortunate election—the hands of the new President ought to be freed, so I kept my mouth shut.

JOHN ROUSSELOT, of California. Realizing this is probably a hard question, and certainly you would want to answer it within the bounds of propriety, would you favor U.S. armed intervention in Cuba if it is possible to take it back this way, or help in taking it back.

General EISENHOWER. I don't think you could answer a question so suppositious as that. If Castro tried to do something to us that I thought required armed intervention, of course I would say sure, no matter what the result. But just to move in without some better excuse or reason than just being unhappy with this man for the moment would be pretty bad. Because we are committed to two policies. One is to keep communism out of this hemisphere. The other is nonintervention in the internal affairs of every single American State. So you have to approach this in such a way that you are not intervening in this affairs of another State.

PETER DOMINICK, of Colorado, I wondered if you, from your knowledge of Russia and international communism, would expect probes in other areas of the world at this point in order to increase, or offset, or divert attention, from Berlin.

General EISENHOWER. Well, I don't know that they would do it just for that purpose. I would say that they will bring up more; certainly they will, in my opinion. They did in Laos. There seems now to be a sort of quiescent period there. I don't know just exactly why—maybe they have gotten what they wanted—I wouldn't know. But this morning the newspapers said there were new threats by the Soviets against Iran, telling the Iranians they had to get us out. There are going to be these things going on all over the world, not only along the periphery of the Eurasian land mass, but also in Africa, South America, everywhere.

——— BAILEY, of Cowles Publications. Two questions, not related. I wonder whether you could tell us first how much contact and of what kind you have had with your successor, and secondly, I wonder if you could comment on reports that were rather widely printed that you had some kind of a plan of action for Cuba under formation or study while you were still in office.

General EISENHOWER. Well, first as to contacts, I have had several telephonic or other conversations, of a briefing character, and under his direction two or three officers have at times given me information. I am not used as a consultant or as an adviser nor am I part of the administration in any way, of course.

Now—Cuba. We had done nothing further in Cuba except—realizing that these refugees did have a great desire to go back to their own country and get rid of Castro—to help refugees organize and to give them some weapons with which to train, we gave them some instructors at different places. Beyond that we could not go, because there was no recognized leader of the Cuban dissidents. I believe that a man, what is his name, ———, was elected by the other Cuban leaders in March of 1961. We had no operational plan.

Question. Would you like to see Mr. Nixon run again in 1964?

General EISENHOWER. I think I will wait until he decides that before making myself heard.

Question. To go back to Cuba, do you mean to say that your administration had not made any positive plans about the invasion, no more than just training some of the refugees?

General EISENHOWER. Absolutely correct Nothing more. In March—I was going to say March 17 but maybe that is wrong—in March of 1960 there was a meeting in my office as to whether or not we should go ahead and train these people and give them some equipment. That decision was made. Thereafter I set up a little group that was to keep in touch with the whole situation and keep me informed. But there was never any operational planning of any kind whatsoever.

EDWARD O'BRIEN, of St. Louis Globe-Democrat. In earlier questions on the possibility of negotiations with Khrushchev, you said "So I don't think there is anything to negotiate." Do you mean, sir, that we should not participate in talks or go in there to keep our position?

General EISENHOWER. Maybe I didn't make myself as clear as I should have. I said this, if we mean by "negotiate" making concessions, I don't know what concession there is to make in order to keep the status quo. Now if they give us something that we need and want, and we can then concede something that is another story. I always believe in keeping the table open and the chair there. If these governments can get together and talk over anything that will bring us one step toward peace, I am for it more than most of the people of this world, I think. But I don't want to say negotiate, meaning that I am ready to give away something in order to keep what I have now. As I said, I think we are in Berlin as a matter of legal and moral right.

Question. What do you think is best for the Republicans in the 1962 elections; what issues do you think are best for the Republicans; what plans do you have to help them?

General EISENHOWER. First of all I would say that assuming that we are going to have a defense in which we are secure, I believe that any real issue is almost certain to be domestic. Because you can't make an issue between parties—that is, a political issue—over whether or not you should have 16 divisions or 14 divisions or 560 planes or 430. That just doesn't make sense. You have to agree that you are going to support an adequate defense and then support that defense. Thereafter I would say the finest issue I can think of is—to stop spending so blamed much money. Period.

Question. As a Pennsylvania farmer, are you in favor of giving the Russians free access to our farm-production methods—teach them how to grow more?

General EISENHOWER. I have not thought about that particularly. I did support such exchanges between farmers and farmers, engineers and engineers, political leaders and political leaders. The reason is this: All the people in the world want peace. There is no people that wants war, unless a few savage tribes. Any literate people want peace. The only thing that keeps them from having it is governments. Therefore, I think that what we have got to do is to get people understanding other peoples better, and, finally, they will make the governments conform. So my theory would be to exchange everything you can. I would like to do it in such numbers that the Soviets can't just select indoctrinated people to come over here who want to destroy us. We want people who want peace just as much as we do.

CHUCK VON FREMD, CBS television. I want to make sure I have correct just what you said in answer to an earlier question. You said, "We must keep our defenses adequate, but we should not have to build up every crisis that appears on the horizon." Does that indicate that you don't favor some of the moves that President Kennedy is taking?

General EISENHOWER. No. As a matter of fact, I think this: Apparently this administration believes that our defenses will be much better if we have more ground forces and some other things—I forget what all they are. But if this is the kind of thing we want to carry for 50 years ahead, then I would have to say we carry the responsibility and we have got to do it—meaning this Congress and this administration. But I do say that we must not respond to every

manufactured, artificial crisis by saying, "All right; we will increase our expenditures 10 percent." Finally, you get to the point—indeed, you can get to the point—where weapons don't defend you any more. When you have gotten all the power you need, there is no point piling more on. There is no point using a sledge hammer to drive a tack. That is exactly what we are doing at times, I think.

NIEL PIERCE, Congressional Quarterly. It has been reported that Pennsylvania Republicans are still urging you to run for the Senate next year. Is your mind closed on this question?

General EISENHOWER. I suppose I should say, "Well, how could they do better?"

Mr. Speaker, under unanimous consent I wish to include at this point in the RECORD a letter dated September 11, 1961, which I received from Secretary of State, Dean Rusk, concerning the State Department publication, "Background Berlin, 1961." The letter follows:

SEPTEMBER 11, 1961.

Hon. MELVIN R. LAIRD,
*House of Representatives.*

DEAR MR. LAIRD: I have your telegram of September 7 requesting withdrawal from circulation of the Department publication "Berlin—1961" pending amendment of a statement on page 5 of the publication concerning the election of the Western armies to attack main enemy forces rather than capture Berlin in the spring of 1945. You indicate the statement is disproved by records in the Departments of State and Defense.

I should like to assure you that the Department cast no reflection on General Eisenhower or suggested that Allied military action was not fully under the direction of responsible governments. The portion of the publication which seems to have disturbed you was aimed at rejecting the Soviet claim that the capture of Berlin by Soviet forces somehow gave them some superior position with respect to that city regardless of Allied agreements. We tried to point out that Allied forces in fact captured three German provinces, with a population of 8 million people, which were turned over to the Soviets in compliance with the same four-power occupation agreement which provided for our rights in Berlin.

These political and military choices, which were made by those responsible for the conduct of the war, are a matter of full public record. Some of the military considerations which led to the continued Allied attacks on main German forces rather than attack toward Berlin were set forth in books by General Eisenhower, General Bradley, and other accounts of that period.

Let me emphasize again that the purpose of this portion of the publication was to meet a point of Soviet propaganda.

Sincerely yours,

DEAN RUSK.

Mr. Speaker, the Secretary's letter does not face up to the facts and I again call on him to immediately correct the great injustice done to General Eisenhower. Although the Secretary has expressed his regrets, I believe we are entitled to know whether a correction will be made before a new printing is authorized. This matter was called to the attention of Secretary Rusk before a second order was placed with the Government Printing Office.

Mr. Speaker, under unanimous consent I wish to include at this point in the RECORD a report from the State Department under date of September 11, 1961, covering the costs and distribution of the pamphlet, "Background Berlin, 1961." This information was secured for me by the gentleman from Ohio [Mr. BOW]:

BACKGROUND BERLIN, 1961

1. The pamphlet "Background Berlin, 1961," was printed at a cost of approximately $6,000 for the 35,000 copies requested by the Department of State. The exact cost will not be known until billing is received from GPO.

2. The distribution made is according to the attached list. GPO has requested 10,000 of State's 35,000 copies, pending a rerun, as the demand has been extensive and their stock is exhausted.

3. The preparation and printing of the paper was decided upon because of the increased demand from the press and the public for factual information regarding the Berlin situation.

4. The pamphlet was drafted in the Office of the Secretary of State.

5. The Bureau of European Affairs (several staff members) reviewed the pamphlet for factual content; the format, technical review etc., was made in the Bureau of Public Affairs.

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DISTRIBUTION OF "BACKGROUND BERLIN, 1961"

P/ON: 100 copies.

Departmental distribution: 400 copies.

Foreign Service posts (list will follow): 2,400 copies.

Officials of other Government agencies and Member of Congress who have requested all our materials: 500 copies.

Distribution centers (GPO): 500 copies.

Display racks throughout the Department: 400 copies.

Display libraries (public) U.S.: 500 copies.

Nationality groups: 70 copies.

National and local organizations: 1,100 copies.

Publications and media groups requesting such materials: 300 copies.

Key individuals requesting such materials: 2,700 copies.

Mr. Paul Block, Documents Distribution Unit, USUN: 300 copies.

VS: 5 copies.

USIA/ICS—Mrs. Rose Allegretto, room 317, SA-2: 300 copies.

H—For Members of Congress: 625 copies.

USIA/IPS—Mr. Abernathy, room 240, 1776 Pennsylvania Avenue NW.: 400 copies.

Mr. James O. Dunton, Director, Office of Public Services, Department of Defense, room 2X772, Pentagon: 700 copies.

GER—Mr. Cox: 200 copies.

Additional distribution through organizations: 3,000 copies.

USIA, Mr. James Scott, Office of Private Corporation: 500 copies.

White House: 20 copies.

Belgrade Conference: 200 copies.

Congressman OLSON: 60 copies.

Congressman WRIGHT: 15 copies.

Congressman O'HARA: 50 copies.

Congressman DOWDY: 110 copies.

USIA, Office of Emergency Planning: 150 copies.

Congressman EVERETT: 50 copies.

Senator YARBOROUGH: 30 copies.

NEA: 40 copies.

FSI, Mr. Miles: 100 copies.

Congressman FASCELL: 50 copies.

Congressman GOODLING: 50 copies.

S/O (operations center): 200 copies.

Congressman CAHILL: 50 copies.

Congressman WALLACE: 50 copies.

Total copies: 16,225.

Balance will be used to meet requests similar to last 16 entries above.

Mr. Speaker, under unanimous consent I wish to include at this point in the RECORD an editorial appearing in the Washington Daily News on September 13, 1961. The editorial follows:

COPY READER NEEDED

It was gracious of Dean Rusk to call General Eisenhower in tacit apology for remarks in a State Department publication. We trust he also lectured the sleepy historian who bumbled into one of the touchiest subjects connected with American policy in the Second World War.

In a State Department pamphlet it is stated that "The Western armies could have captured Berlin or at least joined in capturing it. But the Supreme Allied Commander, General Eisenhower, believed they could be more usefully employed against the major German forces elsewhere."

A lot of unpleasant history stems from action at that time, including the peculiar nature of the present Berlin crisis. But memories differ as to how some of the key events developed.

Why this might be so is understandable if the circumstances are recalled. After nearly 6 bloody years of war the Nazis were on the run. The Soviets were the heroes of Stalingrad and our allies. Japan still was to be beaten. Death had forced a change in American Presidents. It is small wonder that Western leaders didn't anticipate later Soviet betrayal of the alliance.

General Eisenhower said in Gettysburg Monday it would have been impossible to place a major force in Berlin ahead of the Russians. And he repeated that carving Germany into sectors and leaving Berlin deep inside the Soviet zone was a political, rather than a military, decision.

According to some accounts this was a decision made much earlier by Roosevelt, Churchill, and Stalin, and confirmed by President Truman, despite growing qualms of Churchill, because events appeared to leave him no alternative.

Whether it might have been wise, or possible, for the Western troops to reach Berlin first is a matter on which military men differ. On his total war record and on his unique knowledge of the existing situation we would have to ride with General Eisenhower.

But whoever brings up this subject should realize its implications. Certainly Dean Rusk's State Department didn't intend to stir up a divisive argument at a time when national accord is vital. What the Department apparently needs is a copy reader. That is the painstaking hand around a newspaper office, who doublechecks the articles before they go to the printers, trying to keep them on the beam.

Mr. Speaker, under unanimous consent I wish to include at this point in the RECORD an editorial appearing in the Washington Evening Star on September 15, 1961. The editorial follows:

BERLIN BACKGROUND

There certainly was ample reason for the annoyance with which former President Eisenhower is reported to have received word of a State Department publication picturing him as responsible for the decision to let the Russians capture Berlin in World War II. For this, to say the least, was a grossly distorted version of history, and Secretary of State Rusk was well advised to disclaim any intent to criticize the wartime role of General Eisenhower.

Some day, presumably, the whole story of the Berlin decision—a decision which confronts us now with a monstrous dilemma—will become public property. As of today, however, only some of the facts are known.

It seems clear that General Eisenhower, as the war was drawing to its close, did not consider Berlin to be a major military objective, and advancing American forces were

held up at the Elbe some 75 miles from the capital of Nazi Germany. Under political agreements previously made, however, our troops would have had to pull back even if they had taken Berlin.

The original agreement was negotiated in London in September 1944, by the European Advisory Commission, consisting of representatives of the United States, Britain, and Russia. Our representative was the late Ambassador John G. Winant who, some 3 years later, took his own life.

It was this agreement which established the zones of occupation in conquered Germany, with Berlin 110 miles inside Communist-held territory and with no guaranteed routes of access. But who was responsible for this monumental error of judgment, later ratified by the chiefs of state at Yalta? It is hardly credible that Mr. Winant, at the level of Ambassador to the Court of St. James, made this decision on his own responsibility. He must have acted in consultation with or with the approval of his superiors in Washington. But the public record on this point reveals little or nothing. All that one can be sure of is that the political decision of 1944, based apparently on a naive trust in Russian good faith, leaves us today faced with what is probably the gravest crisis in our national history.

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## THE 87TH CONGRESS HAS SERVED THE PUBLIC INTEREST WELL, BUILDING OUR ECONOMY, OUR DEFENSES, AND OUR NATION'S INTERNATIONAL ALLIANCES FOR PEACE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Tennessee [Mr. EVINS] is recognized for 40 minutes.

Mr. EVINS. Mr. Speaker, as we approach adjournment of the Congress, it is appropriate that we look at the record of our achievements in this session. It has been a long and strenuous session. We have been meeting continuously for more than 8 months in one of the most significant and most productive sessions in many years.

I am aware that some of my colleagues, notably the gentleman from Texas, our distinguished Speaker—Speaker RAYBURN—have served in some of the most historic Congresses in our history. Yet, I wonder if anyone will find in the illustrious records of the Congresses of the past half century a session which was faced with more momentous, more complex, and more difficult problems and challenges than the session now approaching adjournment—the 1st session of the 87th Congress.

The legislative accomplishments of this session are many, and they bear on all aspects of our national life in all sections of our beloved country. But above all, this Congress has concentrated on the all-important task of building up the Nation's total strength to meet new challenges in the struggle to preserve liberty, both at home and abroad, against the aggressions of Communist tyranny.

As a result of programs completed and action taken during this session, our country now is engaged in a broadscale buildup of our military strength, extending to every part of our Defense Establishment. At the same time, we are embarking on long-range programs to build up our domestic economy, and third, we are building up our international alliances—allies and friends—through programs approved by Congress for economic developments and broader diplomatic initiatives. The Congress has thus set in motion legislative actions to build up and strengthen our military, economic, and international affairs. We have begun what is essentially a national mobilization—a mobilization in peacetime to meet the unprecedented conditions both at home and abroad—conditions created by the cold war of Communist aggression.

When we opened this session last January, we faced a multitude of great problems and challenges; among them:

The grievous problem of an economic recession which posed a real danger of turning into a depression.

The threat to peace posed by a growing belligerence of the more and more arrogant rulers of the Communist nations—the threat of Communist expansion.

The continued dismaying evidence that in military power and the field of space exploration and space missiles we were still disturbingly behind the Russians.

The clear evidence that despite the expenditure of billions in mutual aid funds to help underdeveloped new nations of the world, we were failing signally to win their respect and support in our great aid of extending freedom and guaranteeing peace.

The realization that as a nation and a people we lacked a sense of direction and purpose and leadership in mobilizing ourselves and our resources.

And finally, the challenges, as well as the problems, which arise from the inaugural of a new President and a change in the executive branch, not only in personnel, but in attitudes, outlook, policy, direction, and leadership.

In short, Mr. Speaker, we faced a national emergency that was different from any that our Nation has faced before, an emergency that required a new kind of national mobilization of our material, human, and spiritual resources.

It is easy to mobilize when the threat to national security is immediate, definite and brutally clear. It is far more difficult to do so when as in this period of uncertainty, the climate of world relations changes from day to day and when there are differences in opinion not only among ourselves, but also among our friends and allies as to the nature of the threat and the best methods and means of meeting the problems and challenges, with which we are today confronted.

Time and events have added additional problems and challenges. We have experienced a series of international crises, from Laos to Cuba and Berlin. We have been daily and constantly confronted with increasingly urgent domestic and foreign affairs.

During this session, President Kennedy delivered or transmitted to the Congress 15 messages on major legislative policies and programs, along with 45 major administration bills and a series of Government reorganization plans. More than 12,000 bills have been introduced during this session.

The record shows that this Congress, under the democratic leadership in the House of Speaker RAYBURN, Majority Leader MCCORMACK, and majority whip, CARL ALBERT, has approved 33 major bills, recommended by the President.

The 87th Congress has set a new high mark in the history of modern legislative achievement. The 33 major legislative enactments approved during this session contrast with the 12 approved in the 1st session of President Eisenhower's 1st Congress in 1953, and with 11 major enactments—all dealing with 1 subject—the domestic economy—approved in the 1st session of the 73d Congress in 1933 at the beginning of Franklin D. Roosevelt's administration.

Today, the sense of drifting, uncertainty and complacency, which was evident in the national mood when we began this session, is rapidly changing to a growing sense of unity of purpose.

The determination to prevent war from occurring and to achieve victory for liberty throughout the world is more evident to our friends as we build strength for America and the free world.

Our own task here in the Congress is made easier by the same growing unity of purpose of our Nation and the rising determination of our people to make voluntarily the sacrifices that must be made to achieve our national purposes. There is a growing feeling that we are once more on the move as a Nation, accepting the challenges of this difficult age, and meeting them with our characteristic American energy, inventiveness, boldness, and purposefulness.

Mr. Speaker, I repeat that this change in the national mood is the best and most significant evidence of the effectiveness of the actions which this Congress has taken in cooperation with the President and the executive branch.

Let us look in greater detail at the way this Congress has acted to meet the problems and challenges. Generally speaking the accent all along the line has been on larger undertakings, a greater national effort both at home and abroad.

### THE DOMESTIC BUILDUP

The most immediate and pressing of the problems we faced in January was that of a recession which saw a postwar peak in unemployment and a reduction of national productivity in some industries by as much as 50 percent. The President and the Congress acted quickly to deal with these problems.

Under authority previously granted by congressional acts, the President eased the tight money policy which in the view of many economists had contributed to bringing about the recession. The Congress has passed a number of measures to provide for an expanding economy and to encourage a higher rate of economic growth.

The reaction has been gratifying. An upward trend is shown in nearly every economic statistic; in personal income, total employment, industrial production, average factory workweek, new orders for durable goods, retail sales, stock market averages and other reliable indicators. The consensus of economic observers is that these gains should continue,

leading us to a new high in productivity and growth—assuming that we are successful in maintaining peace.

AGRICULTURE

For the past several years we have seen our agricultural economy declining while surpluses of crops and the cost of obtaining and storing them increased by billions. The previous policies of lowering price supports with lowering production had produced a vicious circle in which farmers tried to keep their annual income up, despite falling prices, by producing more per acre. While farm incomes decreased, the cost of government programs of assistance to farmers increased, and billions of bushels of surplus crops lay unused, eating up storage costs. Efforts of the Congress in the past several sessions to return the farm program to some semblance of rationality met with stubborn presidential vetoes.

The new administration and the Congress has been able to take steps to break this vicious circle. An emergency feed grain program was enacted into law early in the session, providing for a 1-year voluntary cut in acreage of feed grain crops and increased price supports for the participating farmers. This emergency program has met with great success. Crop harvests and reports indicate that for the first time in many years this year's harvests of important feed grains will not provide an excess surplus over our annual consumption that has to be stored. In fact, in some crops we will be able to cut into the stocks of surplus grains produced in previous years.

Meanwhile the Congress considered and after much study and work enacted a broad-scale and long-range farm program—the Agricultural Act of 1961.

Under this new law the incomes of producers of wheat and feed grains should be increased by $600 million to $800 million in the 1962 wheat year, Secretary of Agriculture Freeman has estimated. Better farm incomes can also be expected as the result of provisions of the new act that expand and improve the supervised credit service of the Farmers Home Administration.

This act also provides for a 3-year extension of our surplus agricultural commodity distribution program, giving us greater opportunities to expand the utilization of our agricultural abundance to help further economic growth in other nations. It puts our food-for-peace program in operation at top pace.

The act extends the school milk program—contributing better health and nutrition to millions of American children—for 5 years. It extends the Armed Forces dairy program for 3 years.

Emergency relief in droughts and other disasters caused by the forces of nature, has also been provided in a new Federal farm assistance program.

Taxpayers will realize substantial savings in reduced storage costs under the new wheat and feed grains programs. For the 1962 crop year alone, estimated savings will be between $750 million and $1 billion, as against the costs under the old program.

A series of other important measures in the field of agriculture were enacted by this Congress and have been signed into law. These include a measure authorizing the disposal of an additional $2 billion in surplus commodities under the provisions of the Agricultural Trade Development and Assistance Act; also a program increasing the proportion of appropriated farm loan funds available for individual farms with a debt over $10,000 from 10 to 25 percent, and a new law permitting the approved harvesting on conservation reserve acreage under approved conditions.

Another important agriculture measure enacted is the new Sugar Act of 1961, fixing quotas of domestic and foreign producers, for 15 months to June 30, 1962, and continuing the President's authority to exclude Cuban sugar exports and to reallocate and embargo the quota of sugar from Cuba.

AREA REDEVELOPMENT

The Congress followed up the quick emergency measures to improve the economy with legislation for comprehensive longer range programs to strengthen and increase the growth of our productivity. One of the serious problems of our time has been the development of depressed areas in various sections of our country, and in the rural areas particularly, as a result of the movement of industry from one section to another, the depression of such formerly great industries as coal mining, and the fact that higher mechanization of farming provides fewer employment opportunities for our farm population.

For the past two sessions the Congress had attempted to deal with this problem with a program of area redevelopment. But unfortunately, this effort too was immobilized by Presidential vetoes. This year, we again passed the Area Redevelopment Act and it has become law and is now in effect.

The 4-year program launches a wide attack on the twin problem of unemployment and industrial decline in urban areas, and the growing problem of underdeveloped rural areas. The $394 million 4-year program sets up a loan fund for the development of new industrial facilities, and also authorizes both loans and grants to assist local communities in the construction of new public facilities. It provides technical aid for long-range planning at the local level. It encourages the local communities to engage in the important work of technical training and retraining, which is increasingly essential in this day of automation. This program has been rather aptly described as operation "seed corn" for the American community. It will give real impetus to industrial decentralization, which must be speeded up in the interests of a stable national economy and to promote equality of opportunity in every area of our country.

The Area Redevelopment Act provides exceptional promise for the improvement of the economy in our own State of Tennessee. For the past decade we have been greatly troubled by the fact that in most rural areas of our State, there are not enough jobs for the population. Millions of people, especially our younger people, have been forced to migrate to the cities and to other States, seeking gainful employment.

The area development program should provide assistance in helping resolve this problem by providing greater employment opportunities for our residents. Several Tennessee counties have already been designated as eligible for participation under this program authorized by Congress.

NEW HOUSING ACT

Another major legislative achievement was the passage of the 5-year $4.9 billion housing program. This greatly expanded housing program provides a vast array of tools for financing and building a better order in the towns and cities of America. The provisions for FHA mortgage financing for low- and moderate-income families have been extended on liberalized terms. The new act authorizes Federal grants for urban renewal projects and open space development. Congress has provided for loans for needed college dormitory construction.

Farm housing and housing for elderly citizens has also been authorized and extended. The public facilities loan program for cities has been extended to aid our cities both large and small in financing needed municipal improvements.

Practically every city and town in our State of Tennessee is participating in one or more aspects of this legislation, authorized and expanded by Congress, to assist community development and industrial growth and development.

SMALL BUSINESS AIDS

The Congress has granted the Small Business Administration a greater role in Federal procurement policy in order to assist small business to participate in Government contracts and subcontracts on a broader scale. We have provided additional lending authority for the Small Business Administration and for the Small Business Investment Companies in order that they may assist small business enterprises of the Nation.

As chairman of Subcommittee No. 1 of the House Select Committee on Small Business charged with overseeing the operations of the SBA, I have urged administrators of this potentially great agency to take more positive and vigorous action in using the tools provided by the Congress for assisting our small business community. It is indeed gratifying to see those potentialities being used more vigorously by the new SBA Administrator, Mr. John E. Horne.

Mr. Horne, the able Administrator, and his staff certainly are to be commended for their accomplishment.

Perhaps the better known function of the Small Business Administration entails the granting of loans to eligible small business concerns unable to obtain financial assistance from private lending institutions. These loans are all secured by collateral and are repaid with interest. Since Mr. Horne took office, a much greater number of loans has been granted, which has served to assist small business to participate in the economic growth.

During the first 7 months of 1961, SBA approved 3,705 business loans for $190,838,000, an increase of 59 percent over

the 2,234 loans approved for $110,252,000 during the like 1960 period. The 8,370 applications for $539,108,000 received was 65 percent greater than the 5,074 applications for $311,775,000 received in January-August 1960.

During the 7-month period, SBA approved 1,020 disaster loans for $11,479,000 to help persons whose homes or businesses had suffered economic injury because of drought, excessive rainfall, or other disaster. This was more than double the 395 loans for $7,904,000 approved in the same period in 1960.

These loans have been made in all cases when local banks either would not or could not make them. These loans have provided several hundred thousand jobs which otherwise would not be available and the impact on wages from these jobs has in turn greatly stimulated the Nation's economy.

RESOURCES DEVELOPMENT

In the Public Works Appropriations bill of 1961, Congress has provided funds for new starts in resources development at a faster pace than in previous years. The Corps of Engineers, the TVA, our Reclamation Bureau, the Atomic Energy Commission, our National Park Service, the Rural Electrification Administration, and our great regional power programs will all expand their activities under new legislative actions of this session of Congress. In our public works program we are making greater capital investments in America, to preserve and develop our self-financing program, which the Congress approved a few years ago. TVA's are making greater capital investments in America, to preserve and develop our natural resources in response to increasing demands of our swiftly growing population. Decreasing water, forest and mineral resources—and actual scarcities in some areas—underscore the urgency of this need which Congress has recognized as important in the public interest.

This session has marked another long stride in carrying forward the great regional development recommendations creatively expressed by the Tennessee Valley Authority. While programs for other regions in the country have received Congressional attention, TVA has continued to grow and develop, and it is expanding now largely through its self-financing program, which the Congress approved a few years ago. TVA's payment of more than $51 million into the U.S. Treasury this year—from proceeds on power sales and $301 million over the years, has demonstrated the wisdom of Congress's action in this great undertaking in the public interest.

At this session, a TVA type vigorous fight was made for congressional enactment of a proposal to harness the steam from the new atomic energy powerplant now nearing completion at Hanford, Wash., and put the resultant electricity to work producing both plutonium for weapons for defense and for serving peaceful industrial uses in the Pacific Northwest.

Although this conversion project failed of approval in the House, the public interest clearly demands that the fight for this project be pushed to a successful conclusion. The Pacific Northwest, as are other areas of our common country, is in need of additional power to assure the region's growth.

A great and significant victory in the western part of our country was achieved in the public interest when Congress approved the construction of an all-Federal transmission line system for the Colorado storage project—to use electric power from the three great multipurpose dams being built in the West to serve people of that area of the United States.

Although power production is an important feature of the great Colorado River storage project, a primary purpose is to prevent floods, provide water for irrigation, industrial and municipal uses. Like TVA, these great power dams and lines, in addition to providing new energy for the region's economic growth, create revenue sources which make the whole development largely self-financing.

The contract for a proposed corporate utility owned transmission line, which Congress rejected, would have jeopardized the economic feasibility of the whole project and cost the American taxpayers and consumers in excess of $300 million above normal cost estimates.

A new Water Pollution Control Act was approved during this session—evidencing the Nation's concern for an adequate water supply. Another act increases the funds for grants to States and interstate agencies for both operation and construction of new sewage plants, thus encouraging and stimulating the purification of our water supply throughout the Nation.

ROADS

This Congress has aided the work of building a stronger America by advancing the new Federal interstate highway construction program. To keep that program for a system of some 40,000 miles of superhighways on schedule, Congress increased the Federal Government's share from $25 to $37 billion. The new authorization extends for an additional 2 years the incentive bonus for States to enter into agreements for control of billboard advertising along the interstate highway.

SOCIAL SECURITY

Congress took action to increase the minimum old age insurance benefits for our elderly citizens, liberalized the disability provision of the act, and provided that men may exercise the option to retire at 62 instead of 65, with benefits adjusted accordingly.

The Social Security Act was amended to permit States to use matching Federal grants to aid children of the needy and unemployed.

VETERANS

Congress extended the GI home loan bill for World War II and Korean war veterans until July 25, 1967, and authorized $1.2 billion in appropriations to veterans for direct loans in rural and small-town areas.

Funds were approved for compensation and pensions, hospital and medical care programs and other vital services to our veterans in a Veterans' Administration budget of approximately $5 billion. Included were funds for continuation of our veterans' hospital construction and modernization program.

JUDGES

Legislation creating 73 new Federal judgeships, greatly needed, was approved by Congress. Three of these authorized will be in Tennessee.

TAXES

Extension of the existing corporate income tax rate and the prevailing schedule of excise taxes was authorized. President Kennedy's tax reform program, based on the principle of tax incentives for new investment, did not progress beyond the House Ways and Means Committee but the committee promised to take it up early next year and seek a quick House vote. An important new step in the tax reform field is getting underway under a measure approved at the 1961 session, broadening the authority of the House Judiciary and Senate Finance Committees for study of all matters relating to State taxation which affect business in interstate commerce.

SECURITIES

A 2-year study of the Nation's stock exchanges by the Securities and Exchange Commission was ordered by the Congress, on the initiative of the House. The stock market has recently set new alltime highs and public interest in securities has been exceeded only by the interest preceding the 1929 crash. This condition of the market plus the fact that 25 years have elapsed since a full-scale investigation of the country's stock markets prompted the House to pass this legislation.

EDUCATION

Congress extended the National Defense Education Act for 2 years and provided for a program for impacted school areas, with Federal funds to be channeled to communities with heavy concentrations of Federal employees with schoolchildren crowding local school districts throughout the country. These two bills were important parts of the administration's comprehensive education program which were considered during this lengthy session. The fight for needed assistance for public school construction, college facilities, college student loans and scholarship recommendation will be reconsidered in the next session.

TRADE, TRAVEL, AND TRANSPORTATION

Congress took positive steps to encourage development of our tourist industry, through passage of an act for establishment of a new Office of International Trade and Travel in the Department of Commerce. This program is designed to give coordinated planning and vigorous promotion both at home and abroad to measures which will stimulate travel in this country by tourists from overseas.

This legislation provides practical and realistic Federal assistance to private enterprise in a field where such concerted action long has been needed. A billion-dollar gap exists between what American tourists annually spend abroad and what foreign visitors spend in our country.

Congress has thus provided a great opportunity to make a substantial improvement in our balance of international payments through well planned and consistent efforts to develop new tourist facilities and to eliminate barriers to international travel. A large opportunity also exists to make more friends for America around the world, for experience has shown that an actual on-the-scene view of America and freedom is the best antidote for the distorted and false impressions which the enemies of our country are busily circulating.

To provide assistance to the distressed transportation industries, particularly the railroads, Congress expanded the Interstate Commerce Commission's authority to make loans to railroads for a period of 27 months—to June 30, 1963.

Congress passed several laws also to assist aviation and to promote aviation safety.

We approved a bill authorizing $300,000 for the United States to participate in the 1964–65 New York World's Fair.

REORGANIZATION

Congress approved the reorganization amendment of 1961, extending to June 1, 1963, the President's authority to submit reorganization plans which will become effective after 60 days unless disapproved by a simple majority of the House or the Senate. Congress displayed a new reorganization initiative of its own, notably in the case of the Federal Communications Commission reform, at the same time that it evidenced a cooperative attitude toward the Executive in seeking reforms that will make the independent agencies more independent as well as more efficient.

These, in the main, were the domestic legislative actions which kept Members of Congress on the double quick through the long 1961 session. There are, inevitably and as usual, some who feel that Congress accomplished too little and some who think it achieved too much. However, by any standard, this was an exceptionally productive and positive session on Capitol Hill. For a new start toward a total American effort in the domestic sphere, the 1st session of the 87th Congress set a pace that has not been matched since the 1st session of the 73d Congress, which made the first 100 days of President Franklin D. Roosevelt's administration famous.

NATIONAL DEFENSE BUILDUP

There were no recommendations before Congress this session more important than those to provide for our Nation's military buildup which President Kennedy proposed and the Congress provided.

The Congress approved a record peacetime budget of some $46.6 billion—an increase of $6.4 billion over the defense appropriations for fiscal 1961. This is $4.8 billion more than was requested for national defense in the budget of the previous administration.

The extra defense dollars are going to provide greater national strength and a better overall defense program.

This budget includes the funds needed for an all-out effort in the development of missiles and rockets and other new space-age weapons; for the continued buildup of our atomic and nuclear arsenals, and for acceleration of our nuclear-powered submarine and long-range bomber programs. Additional funds were provided for our space exploration program, which now is proceeding at a rapid pace.

Funds are provided for the development of paramilitary forces—to give us new weapons with which to meet Communist guerrilla tactics.

Funds are included for the build-up of our logistical and military transport forces, for expanded military construction, for Civil Defense shelters and other civil defense projects.

While funds are included for more rockets and more weapons of the very expensive highly technical type, funds are also included for improved light rifles and the standard military hardware necessary to fight any type of war.

Increased defense appropriations will provide for a bigger Army, Navy, Air Force, and Marine Corps.

Total U.S. Forces are to number 2,743,227. This includes an Army of 1,008,000, a Navy of 657,000, a Marine Corps of 190,000 and an Air Force of 888,227.

The new military program is designed to give us a strong nuclear striking force which could survive any initial attack and thereby provide a strong deterrent against nuclear war. It is also designed to provide a force capable of meeting any small aggressive action promptly and decisively. The overall program will give us greater power and greater flexibility—capable of meeting any war threat.

In short, the military buildup represents comprehensive and balanced preparedness on a scale that this Nation never before attempted except in a period of declared hostilities.

BUILDING STRONGER ALLIANCES

Alliance for Progress, food for peace, and the Peace Corps are works that identify a vastly expanded American effort, undertaken during this session of Congress, to strengthen our international alliances, build friends, and buttress the foundations of freedom around the world.

Most Americans apparently agree that foreign aid is an essential part of our overall defense strategy. Our military assistance programs help to support armed forces and installations abroad that would take a great many more of our American tax dollars and much of our own manpower if we were trying to go it alone. Our economic and technical assistance programs are designed to create conditions which contribute vitally to the maintenance of strong friendly governments around the world.

There exists considerable difference of opinion with respect to the means of implementing the foreign aid program. The chief difference has been between the administration and a considerable segment of the Congress on certain financing provisions of the foreign aid or mutual assistance program.

The administration asked for authority to obtain funds for long-term development loans by borrowing from the Treasury. The Congress, and particularly the House, felt that this bypassed or seriously diluted the important appropriations function of Congress, as prescribed in the Constitution.

This difference was resolved in legislation which eliminated the Treasury borrowing provision and reaffirmed the principle of congressional review and annual appropriations by Congress.

This outcome puts into force the Alliance for Progress program which marks a bold new start in the field of international development undertakings and provides funds for mutual security programs in various countries.

Another new agreement is bringing other industrial nations into more active partnership with the United States. Our allies are being called upon to assume larger shares of the financial costs and to otherwise participate in helping themselves in these cooperating endeavors.

A major step in this direction was taken during this session when the Senate ratified a treaty of the Organization for Economic Cooperation and Development. This treaty provides for American membership in the OECD with 18 other nations, implementing a consolidated effort to help and assist less-developed nations.

IN ANOTHER TREATY ACTION

Twenty of the twenty-one republics of Latin America formally joined with us in launching the Alliance for Progress in the recent Inter-American Economic Conference at Uruguay with Castro's Cuba definitely excluded from the program so long as Cuba remains under Communist domination.

Even before this alliance was breaking new ground in Latin America earlier this year the Congress provided funds for the previously authorized Latin American assistance program by appropriating $600 million. This included $100 million for disaster relief in Chile and another $100 million for loans and grants by the International Cooperation Administration.

Congress also gave new scope to strengthening our allies through passage of the Agricultural Trade Development and Assistance Act. Under an expanded food-for-peace program, $2.5 billion worth of surplus farm commodities will be shipped overseas during the months ahead for needy people around the world.

THE PEACE CORPS

Congress approved the new Peace Corps as a new aid and a new idea to give our Nation's youth a chance and opportunity to work for understanding and promotion of the cause of peace.

Too often we have provided guns to our friends instead of understanding. Too often have we tried to buy allies with impersonal dollars instead of personal relationships. This new program stresses the importance of the need today for our country to be understood for what we are, not a group of materialists serving only mammon, but a Nation of free men and free women believing in the virtues of freedom, liberty, and democracy.

The Peace Corps, recommended by President Kennedy, will screen applicants thoroughly before they are accepted into the Corps for oversea service. After 3 months of rigorous training in the United States, the volunteer Peace Corps men will be sent overseas for 21 months of service in teaching and training in designated countries.

Under provisions of the bill, those serving in the Corps will live in the foreign countries in a simple and inexpensive way. The young men and women will have the gratification of teaching their respective skills to people of the newly independent and emerging nations of the world. They will work on projects, train and teach and above all, set examples. Their service will give people of other countries an opportunity to learn more about America, Americans and American techniques in farming, roadbuilding, teaching, business, craftsmanship, and government processes—more about our country and democracy.

The Peace Corps is a new approach—a fresh approach—to telling the story of freedom and liberty. There is no guarantee of success of the program except the determination of the young Americans to help serve our country in the promotion of the cause of peace. This new plan is a move in the direction of explaining America and explaining liberty.

Properly administered, the program should do a great deal of good in promoting the cause of understanding and peace.

Other important actions taken by Congress, at this session, to strengthen America's position in international affairs, include extension of the Sugar Act, with its continuation of the Presidents' authority to exclude Cuban sugar imports; ratification of the treaty between the United States and Canada for cooperative development of the Columbia River, a bill strengthening the Fugitive Felon Act, which provides new legal weapons to deal with such international crimes as the hijacking of airplanes.

These numerous legislative actions all add up to a giant stride toward a total American effort in the economic defense and diplomatic affairs to battle for freedom.

With these new programs we are moving forward again on the path to security and peace that was charted by Tennessee's own Cordell Hull in his work for America's good neighbor policy and other enlightened policies of Democratic statesmanship.

We now face a situation that has many meaningful parallels with the international picture that confronted the Nation at the time Mr. Hull became our Secretary of State in 1933. With prophetic vision, he saw that time was running out, that the rising tyrannies of communism, fascism, and nazism in Europe and Japanese imperialism in Asia were bent on world conquest, and that the United States must hasten to put its own house in order before the storm broke.

My illustrious and distinguished predecessor in the Congress Judge Cordell Hull worked well and constantly to set a standard of decency in international relations—the standard of the good neighbor, the earnest Christian—which alone will sustain an order of freedom and peace, in honor and justice. He set for us all a standard of dedication which our Nation could well emulate to promote good will, understanding, freedom, and peace.

Once again, the hour is late. The greatest tyranny ever conceived now casts lengthening shadows across the world. For people who cherish liberty, only a total effort, a total commitment, will suffice. Toward such a mobilization of the national purpose, this Congress has worked earnestly, conscientiously and with dedication. The 87th Congress has served well the public interest, building our economy, our defenses and our Nation's international alliances for peace.

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## THE ORIGINAL UNCLE SAM

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Maine [Mr. GARLAND], may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GARLAND. Mr. Speaker, in view of all the recent talk about the origin of "Uncle Sam" and who he was, it behooves me to settle this matter once and for all. The following letter from Mr. John Gould, editor of the Enterprise, Lisbon Falls, Maine, should leave no doubts in anyone's mind that Uncle Sam—rugged individualist that he was—could not possibly have come from anywhere else in the United States but the glorious State of Maine:

THE ENTERPRISE,
*Lisbon Falls, Maine.*

Hon. PETER A. GARLAND,
*House of Representatives,*
*Washington, D.C.*

DEAR PETER: Somewhere in the outer fringe of important things, some of the Congressmen are disputing over who was the "original" Uncle Sam. We haven't heard too much about it in Maine, and haven't see that you mixed into it. Actually, it should concern you, and we take pen in hand to give you the ammunition.

Seba Smith, born in Maine in 1792, was graduated from Bowdoin College in 1818, and in 1829 founded the Portland Courier—a newspaper thoughtful people might wish was still publishing. It would be a good thing, as they say.

Now in 1830, Smith introduced into his paper an imaginary character (who was really Seba Smith) by the name of Maj. Jack Downing. He was a shrewd, simple, homespun, down-east peddler, who was to set the pace for the literary development of American humor. Also, he was to be the basis for the long line of similar political comment which has become an American journalistic tradition. Judge Pattangall, for instance, used exactly the same technique in doing the Meddybemps Letters—Stephen A. Douglas Smith who wrote letters to the Machias Union was Judge Pattangall.

Now, when Maj. Jack Downing first started, he dealt with local matters, and gained considerable attention. Later, he went off into political comments, but he did it with simple shrewdness and without seeming to become partisan. He went through a development under Seba's hand, until finally he became a confidant of Andrew Jackson, and in this connection, he was a national sensation. Historically, Mr. Dooley, Will Rogers, and about everybody else who did that sort of thing owe a great deal to Maj. Jack Downing.

Now, Maj. Jack Downing was the prototype of "Uncle Sam." When he became widely copied by other papers and began to be imitated by other editors who wrote their own "Jack Downing" pieces, the cartoonists began drawing his picture, and out of this developed the long-legged, goateed, claw-hammered "Uncle Sam" as a symbol of the United States.

You will find all this in the Congressional Library, along with collected works of Smith, copies of newspapers that carried his letters, and literary appraisals of his fame and influence. Uncle Sam, like Paul Bunyan, was born in the State of Maine—and these Congressmen who are claiming him for comelately States and strange places, are playing it pretty far from the facts. We suggest you grab the subject and nail it down. Doing so would at least lighten the moment, and insert into National Affairs a much-needed comic-relief. And so on.

Kindest regards all around. Mother has made pickles.

JOHN GOULD,
*Editor, the Enterprise.*

LISBON FALLS, MAINE.

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## COLRAIN, MASS., BICENTENNIAL—1761–1961

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD, and include extraneous matter.

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

There was no objection.

Mr. CONTE. Mr. Speaker, on August 6, 1961, the little town of Colrain, Mass., nestled in the foothills of the Berkshires, celebrated its 200th anniversary.

In 1753 Colrain was settled, originally by Scotch-Irish from Northern Ireland. It is believed that the town was named for Lord Colraine, an Irish peer. In 1761 Colrain became an incorporated village.

At about the year 1818, the beginning of manufacturing brought into Colrain an influx of French-Canadians. There was then erected a Catholic church conducting services in the French language only. Just a few years ago the transition to English was made by a priest who spoke both languages.

The original settlers of Colrain were a courageous people, industrious, hard-working, frugal, and high-principled men and women. Their lives were rugged, for they had to be, to subdue the wilderness, battle the hostile Indians, and stand up to the tyranny of King George the Third.

Located nearby stands Fort Morrison, a defense bulwark against the Indians and the French from 1754 to 1763. What a thrilling story the walls of this fort could tell of the magnificent stand the people of Colrain made against the invaders. The patriotism they displayed in those days carried on to our modern civilization as the boys of Colrain marched off to war in defense of their country in 1861, 1898, 1917, 1941, and 1950. And they stand ready again today, if the need should arise, to do

their part to defend America, the great nation that their forebears helped to found.

As the years passed, Colrain advanced. Sheep raising was its most important industry until the Civil War. Today, Colrain boasts of its small cider mill, and two plants manufacturing absorbent gauze.

In May 1812, there occurred an event in Colrain, unnoticed, and without fanfare, that is today considered to be one of the finest contributions to the American way of life. I refer to the raising of the Stars and Stripes over an American schoolhouse for the first time in the history of this great land of ours. This historymaking ceremony took place at a little log schoolhouse situated on Catamount Hill, in Colrain, Mass. This ceremony led, in later years, to the establishment of a custom which we today look upon as a part of the daily life of our millions of schoolchildren. From this little-known event many years later grew a movement, an enthusiastic movement, in which educators, lawmakers, and patriotic citizens participated for compelling the exhibition of the American flag at or on schoolhouses, and still later led to the observance of June 14 each year as Flag Day. Today more than half of our States have laws on their statute books requiring the display of the Stars and Stripes on all the schoolhouses within those States. All this because a patriotic group of Americans in the little town of Colrain, Mass., on a bright day in May 1812, were so proud of their flag that they thought it should be placed on view so that all could see it. Today, at the site of that little log schoolhouse, there stands a monument, commemorative of the event, with this inscription:

The first U.S. flag raised over a public school was floated in May 1812 from a log schoolhouse which stood on this spot. It was made by Mrs. Rhoda Shippee, Mrs. Lois Shippee, Mrs. Sophia Willis, and Mrs. Stephen Hale and was raised by Amasa Shippee, Paul Davenport and the loyal families of Catamount Hill.

Mr. Speaker, in these trying days when the dimensions of life seem to be drawn to national and international scale, when our minds and efforts are directed toward the problems of the world, I want to pause for a moment and pay tribute to the little town of Colrain, Mass., on the occasion of its bicentennial, and to express the gratitude of this great Nation of ours for the heroic part this typical American community has played in the building of America, and in playing its part in the shaping of this great Republic of ours.

## OZARK RIVERS NATIONAL MONUMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. ICHORD], is recognized for 5 minutes.

Mr. ICHORD of Missouri. Mr. Speaker, earlier this session I introduced H.R. 5712 which has for its purpose the establishment of the Ozark Rivers National Monument in southeastern Missouri. All of the said monument is located in seven counties of Missouri, and six of those counties are situated in the Eighth Congressional District which I represent. Our distinguished U.S. Senators from Missouri, Senators SYMINGTON and LONG, have introduced an identical bill in the U.S. Senate.

The area involved has long been considered for the purpose of being made a part of our national park system. The National Park Service made its first study of the area back in 1956 and in the 86th Congress, money was appropriated to the National Park Service for a more detailed study. The study was completed and report made in 1960.

The proposed monument lies within the most scenic portion of Missouri's Ozark Mountains and is readily accessible for enjoyment. It is within a day's drive for more than 20 million people and is only 175 miles from St. Louis and 250 miles from Kansas City.

During recent years considerable attention has been devoted to the need for setting aside in public ownership the unspoiled portions of our rivers, lakes, and ocean shorelines. The Current-Eleven Point River country with its natural unsurpassed beauty represents an outstanding opportunity for preservation in the interest of the Nation. Here are the beautiful, cold, clear, free-flowing streams of Jacks Fork and the Current and Eleven Point Rivers. Here are some of the largest springs in the world. Big Spring, for example, on the Current River has flowed as much as 840 million gallons a day and it has averaged over the last 20 years better than 250 million gallons a day. The area includes 6 springs which flow more than 65 million gallons per day each. It also includes 13 other springs of great size and many small ones. Within the boundaries are 13 named caves, 11 interesting geological sites, 40 archeological sites, a number of splendid ecological sites, and many sinks. It is a land of beautiful forests abounding with wildlife and over 1,500 different kinds of plant life. Its spring-fed rivers, containing plenty of bass and goggle eye, have become famous for "floating" and float fishing. It would be difficult to find any area where so much natural beauty and variety can be preserved by setting aside so little. This is made possible by the concentration of all these features in the narrow river valleys of the area.

The Department of Interior has endorsed the proposal to make the area a part of our National Park System and I am accompanying the Honorable Stewart L. Udall on an inspection tour of the area this week. It is hoped that H.R. 5712 and S. 1381 will receive favorable action during the next session of Congress.

## MEDICAL AID FOR THE AGED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD, and include extraneous matter.

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

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, there have been volumes of speeches delivered and articles written in regard to the crying need of our senior citizens for a workable health insurance program. There have been even more speeches and articles written against such legislation. As we are aware, the heart of the opposition to the President's health insurance proposal, as to the Forand bill before it, has come from the leadership of the American Medical Association.

I say the "leadership" of that organization because I have always entertained serious doubts that the AMA lobbyists and officials truly spoke for the rank and file of America's medical profession.

Recently, one of the most distinguished physicians in the city of Portland, Oreg., Dr. Morton J. Goodman, spoke before the equally distinguished forum of the Portland City Club, on this subject.

Dr. Goodman, in addition to being an outstanding medical practitioner, has also served as chairman of the Medical Care Committee of the Oregon State Welfare Commission. He has observed and participated in Oregon's frustrating attempt to devise a workable State medical care plan under the Kerr-Mills bill. He knows whereof he speaks.

Dr. Goodman's speech before the City Club, Mr. Speaker, is one of the best single expositions of the problem and a most persuasive argument for the adoption of the King-Anderson bill, as recommended by the President.

Under unanimous consent, I include the speech at this point in the RECORD.

### MEDICAL AID FOR THE AGED: THE CASE FOR THE SOCIAL SECURITY APPROACH

(By Morton J. Goodman, M.D.)

Mr. Beatty, members of the City Club, and guests, it is with humility and some trepidation that I stand at this rostrum of the City Club of Portland. I have been a member of this distinguished organization for 20 years. I have listened here, to some of the great scholars, some of the outstanding personalities of my generation. I have never before presumed that I would have anything constructive to contribute to the thinking of this group. I must say at the outset that I am not well informed in many of the fields which relate to the topic which I would like to discuss with you. I am not a student of government; I have no talent in the field of political philosophy or economics. I am no expert on insurance. I am a physician, and I feel that I am somewhat knowledgeable in the field of medical care. Furthermore, I have had 4 years of experience on the State welfare commission and as chairman of its committee on medical care, I have learned something about the medical needs of our older citizens and how they are being tragically neglected today. I hope that you may be interested in my comments on suggested remedies to meet those needs. As some of you may be aware, my position is somewhat less than popular with many of my colleagues, and in order that I not be misunderstood, or misquoted, I ask your indulgence if I adhere rather closely to my manuscript.

Every student of the subject knows that the provision of better health care for the aged is a serious and rapidly growing problem. Thanks to medical progress, the number of the aged is increasing rapidly. In 1930, there were 6 million people in the United States over the age of 65. Today, there are over 16 million and by 1970

there will be over 20 million. For many of these older men and women, longer life has meant shrunken incomes, increased sickness, loneliness, and fear that costly illness will force on them the indignity of seeking public charity. Over half of these people have an income of less than $1,000 a year. Over 12 million of them have an income of less than $2,000 a year and these figures include those who are still working. Most of those in this age group have little or nothing in the form of liquid assets to fall back on in case of illness. The medical and hospital needs in this group are much higher than those of younger people. They go to the hospital more often, they stay longer than their younger neighbors, and their illnesses are far more costly. Most of them cannot afford meaningful health insurance. A third of them have some type of coverage, to be sure, but in most cases, it is very limited and inadequate. These older people represent a high cost, high risk, low income group. For them, insurance premiums are prohibitively high and the benefits are very restricted. Many of them have chronic health problems and they can't get any insurance at all. How do these people get by? The answer is that they barely do. Most of them live marginally with barely enough for the necessities of life. Even those that do have some security and moderate resources which have been built up in their working years are in constant danger of having these reserves wiped out by illness or hospitalization, forcing them to turn to their children or to public charities for aid. The issue is not is there a problem, but how to meet the problem.

Two major approaches have been developed to solve the problem of medical care for the aged. The President, in his health message to the Congress, recommended that a program of hospital insurance and other benefits be included under the social security system. This has been implemented in the King-Anderson proposal which is now before the Congress. Organized medicine is outspokenly opposed to this plan. It supports, on the other hand, the Kerr-Mills law which offers Federal matching funds to the States to expand their welfare programs. This is designed to offer health services to the "near needy," or the "medically indigent," as they are called. I hope that I am successful in keeping these two general approaches clearly in focus for you so that we can consider briefly the merits and the shortcomings of both plans.

On the one hand, the social security approach, or the King-Anderson bill, or what I like to call the Kennedy plan; on the other hand, the tax-supported welfare approach of the Kerr-Mills law.

What, in brief, is the Kerr-Mills program? This is the law which was passed by the last Congress which extends the tax-supported welfare program. The Federal Government offers generous matching grants to the States to supply limited medical care to those who are medically indigent, those who have just enough for food and shelter and clothing, but who are not able to take care of their medical needs. Each State may set its own standards, determine its own benefits, or it may choose not to enter the plan at all. The Kerr-Mills plan is financed entirely by Federal, State and county taxes. It is a program designed to help older people after they have become dependent, after their resources have been depleted, requiring them to turn to public assistance.

How many States have adopted the Kerr-Mills bill? Even though the bill went on the statute books almost a year ago, in October 1960, only eight States have a program in effect and four more have submitted the plan for approval of HEW. The program is in legislative process in 9 other States and no action is anticipated in 1961 in almost 30 others.

It has been repeatedly stated by supporters of the Kerr-Mills bill, as we were told 2 weeks ago, that "it will guarantee to every American who needs it the health care that he requires." This is virtually impossible. Most of the States are too poor even to fill out their current welfare programs up to their own minimum standards, let alone amplify them under the Kerr-Mills formula. In spite of the very generous matching grants, in some cases 4 Federal dollars for every State dollar, a number of State legislatures in the past year have passed up the offer because the State funds just weren't available. From my experience on the welfare commission, I have learned of the desperate plight of the welfare programs in many of these States. Seven or eight of the large manufacturing States in the country, and those States which have offshore oil rights are solvent. Most others can't afford any meaningful increase in State taxes to take advantage of the Kerr-Mills law. Some of the States are almost bankrupt and their Kerr-Mills plans are meaningless. In Kentucky, for instance, the Kerr-Mills plan allows only 6 days of hospital care and doctor services only for acute life-endangering emergencies. In Oklahoma, the Kerr-Mills plan permits two doctor visits per month, and then only for sight or life-saving illnesses. Some of the State programs exclude everyone with incomes over $1,000 a year, or $1,500 for a couple. Oregon has a fair plan and it will go into effect November 1. Its benefits, however, are very limited. It supplies limited hospital and nursing home care, some X-ray and laboratory service, no drugs. To make it actuarially sound, deductibles had to be inserted. The patient must pay, for instance, the first $50 of his doctor's bill. This places a very unfortunate barrier between a needy person in this age group, and medical care. Most of these people who are medically indigent don't have $50 to pay for their doctor bill if they become ill. If they do, the supermarket, the rent, and the fuel bill take priority. The result is that they neglect and delay much-needed medical care until their situation becomes desperate or incurable. The Kerr-Mills plan, in my opinion, doesn't begin to meet the medical care needs of the large group of our older citizens. It swats flies instead of draining the swamp.

I was astonished to hear from this rostrum 2 weeks ago the suggestion that if the City Club would send Rudy Wilhelm down to Salem with appropriate instructions, we could add drugs, dentures, spectacles to our Kerr-Mills program and increase the income ceiling from $1,500 to $3,000. I am sure that we all have the greatest respect for one of our ablest and most effective legislators, but Rudy isn't a magician. I am no expert in finance, so I asked one of the State tax experts for an estimate of what these increased benefits would cost. Our present budget estimate for a biennium for this program is $12 million. The estimate for the inclusion of the benefits which I have just listed would be a minimum of $35 million, and probably closer to $40 million. Where would this money come from? I am informed that it would mean a huge increase in the property tax and a substantial increase in our State income tax. Medical care is expensive and is becoming more costly all the time. To expand health care for the aged to any meaningful level under the Kerr-Mills formula would put a fantastic drain on the State treasuries.

I would like to say one more thing about the Kerr-Mills law which isn't generally appreciated. In order to qualify for help under the Kerr-Mills program, every applicant must take a means test. This is the pauper's oath. He must submit to an elaborate investigation of his needs and resources and, in many cases, his children must do likewise. It is degrading for our citizens who have been financially independent all of their lives to have to go, hat in hand, to a welfare agent in order to prove poverty or that one's children cannot, or will not, support them.

Having pointed out what I feel are the limitations and shortcomings of the Kerr-Mills approach to the medical care for the aged, I must say in all fairness that some type of legislation of this sort is needed to take care of the small group, approximately 1½ million, who cannot qualify for social security, or those under the social security program with incomes and resources that are so marginal that they will need this additional welfare type of assistance.

What about the Kennedy plan, the social security approach, as implemented by the King-Anderson bill? It is a modest, conservative approach which is fiscally sound and I cannot understand why any reasonable person who has read the bill and understands it doesn't favor it. It makes good sound sense. It is an insurance program under the social security system. It is aimed to meet the needs of those millions of Americans who want to pay their own way and don't want to receive care at the taxpayer's expense. These are the people whose savings and reserves can be completely wiped out by a large and crushing hospital bill, forcing them to go to their children or to the charities. The benefits of the Kennedy plan are substantial. Briefly, it will pay for 3 months of hospital care for any one illness; up to 6 months of nursing home care; for outpatient diagnostic services, including X-ray and laboratory studies, with a small deductible to discourage overuse and malingering. The plan will also pay for visiting nurses care and homemakers services which will enable many people to get care in their own homes without requiring costly hospital facilities. The benefits will be available for all persons over 65 who are eligible for social security. It is estimated that 14½ million people will be eligible for this program by January of 1963. It is to be financed by a small increase in the social security tax for each worker and employer and a slight broadening of the taxable base. It is a plan which would do very much like what Blue Cross has been doing for a number of years; it would pay for the hospital bills without interfering with hospital operations. In fact, the whole program could be administered through the existing Blue Cross mechanism, as suggested a few weeks ago by the American Hospital Association.

How can this generous type of health insurance be financed with such a small increase in the social security tax? The answer is, of course, that while everyone that is covered by social security, virtually the whole working force of the Nation, will contribute, not everyone eligible for benefits becomes sick. In this respect, it is like fire insurance—many contribute but not everyone's house burns down. Another reason this type of insurance can be purchased so cheaply is that the social security system is one of the most efficient operations in our national history. The administrative cost is only 2 percent of benefits paid out. The Kerr-Mills plan will run about 8 percent administrative cost. Our welfare commission operates at 11 percent. Most private insurance companies operate on a 15–20 percent "loading factor," as they call it; some as high as 25 percent or even 30 percent.

How much will it cost? About $1½ billion during the first year, and it will go up to $2 billion in 1970. The Kerr-Mills bill, incidentally, fully implemented, will cost about the same. To keep this figure in perspective, let us remind ourselves that in this country we spend $4 billion every year for face creams and deodorants, $7 billion on tobacco and $12 billion on liquor.

Under the Kennedy plan there is no degrading means test. Everyone who qualifies for social security is eligible for the care.

It is entirely in keeping with the dignity of the individual. Each person is entitled to the benefits he receives because he has paid for them over his working years. His medical care thus becomes a right and not a dole.

Let us leave the figures for a moment, and talk about people. Mr. and Mrs. C, let's call them Clark, have been patients and good friends of mine for a good many years. Mr. Clark is now 72 and his wife is 70. He had a good job in a wholesale grocery firm. Their own needs and the responsibility of paying $150 a month for the care of Mrs. Clark's aged mother in a nursing home prompted Mr. Clark to take all of his assets a number of years ago, plus a loan, and buy a small family-type grocery store. The mother died 3 years ago at the age of 92. He and his wife operated this store successfully, and they were able to save a little and maintain some private hospital insurance. Two years ago, a large supermarket was built near his store. His business dwindled and he sold out at a considerable loss. Last year he had a prostate operation and a cancer was found. He had a surgical complication and was in the hospital for 5 weeks. Total medical and hospital cost, largely hospital, was $2,600. His insurance covered only $700 of this and the policy was canceled when he left the hospital. The Clarks have now an income of $86 social security and $50 a month from rooms which Mrs. Clark rents out. Mrs. Clark has disabling arthritis and caring for roomers is becoming more difficult. Each month they dip into their rapidly dwindling reserves, now less than $3,000. Mr. Clark faces progressive deterioration and death within 2 to 3 years. Much of this time will be spent in the hospital or in a nursing home as his wife is unable to care for him. How will they afford this care?

A 71-year-old widow, we will call her Mrs. Wilson, had been a nurse prior to her marriage. Mr. Wilson was the office manager of a department store. When he died 10 years ago he left a $10,000 insurance policy, equity in their home and $6,000 in Government bonds. She gets $78 a month social security. Mrs. Wilson has been living modestly, has supplemented her income by renting out a room, but over the years her principal has dwindled. Eight months ago she fell and broke her hip. She had two operations and was in the hospital for 6 weeks and in a convalescent home for over 3 months, learning how to walk again. Total medical and hospital costs, again largely hospital, $3,200. She had two sickness and hospital insurance policies; one was canceled when she had pneumonia 3 years ago; the other expired when she reached the age of 70. She tried to have it renewed but the new premium was prohibitively high. Her only present income is the $78 social security check. Her assets are rapidly shrinking as she must maintain a part time housekeeper. She has a daughter who herself is ill and is unable to help. She called to see me a few weeks ago and asked for my best estimate of how long she would live. She has a bad heart and will probably need some type of hospital or nursing home care soon. She was specific and insistent. "I will never go on welfare," she said, "and I want to make my plans." I have known her for many years and I know exactly what she means. Neither she nor I had to spell those plans aloud. When her funds run out, rather than turn to charity, she intends quietly and unobtrusively to take her own life. She is a former nurse and knows how to do it.

I have chosen these two examples of the Clarks and Mrs. Wilson from my very current experience, as these people are average, decent, responsible Americans who have been successful in building up some moderate security and reserves for old age and because in each instance they had private hospital and health insurance when they entered the retirement period. In both instances, catastrophic hospital bills and sickness reduced them to near indigency. Every physician can supply many similar cases from his own files. What about the thousands, the millions of people who have been less fortunate and who through no fault of their own, have little or no reserves and cannot afford any meaningful sickness and hospital insurance? These are the millions who are living on their small social security checks and on other small incomes such as pensions, or are being helped by their children. What happens when they become ill and need costly hospital care? These are some of the urgent problems to which the richest country in the world must address itself. These are the problems to which the King-Anderson bill, the social security approach to health insurance, offers a reasonable, a conservative, a modest solution.

I would like to comment briefly on some of the other aspects of these plans. It has been claimed repeatedly that the Kerr-Mills program is a voluntary program and that the social security program is compulsory. This is not true. All taxes are compulsory. Kerr-Mills funds come from compulsory taxes which all of us pay to the Federal, State, and county governments. The social security tax is paid for by the potential beneficiary himself, during his working years. What is wrong with it being compulsory that a man insure himself against the needs of his old age? Why shouldn't a person earning a good salary be made to set aside a small amount each month so that when he becomes 65 he doesn't have to have his hospital bills paid for by his children or by public welfare funds?

It has been claimed that the King-Anderson bill will "destroy free choice of physicians." The social security plan has nothing to do with the physician. It has nothing to do with medical care. It is merely hospital insurance and actually I think this is one of its major shortcomings. I think the bill is not inclusive enough, and that the program should pay for physicians' services, drugs and certain other forms of medical care. And here I am delighted to find myself in agreement with the speaker of 2 weeks ago, and I quote from his tape, "The King-Anderson bill does not in any sense of the word provide total medical care. It makes no provision for the payment of doctor bills; it makes no provision for the payment of expensive drugs; all the bill provides is a limited period of hospitalization and nursing home care, and diagnostic outpatient services." (Nine months is not so "limited.") I agree that he has called attention to a major defect of the bill. I think it should provide for the payment of doctor bills, and especially for diagnostic services in the doctors' offices. The hospital outpatient departments couldn't possibly handle this load. And I think the plan should include payment for certain drugs. The speaker 2 weeks ago vigorously criticized the bill because it didn't contain these features. I would like to ask, "If these extra benefits were added to the bill, would he then support it?" "And did he report these major shortcomings of the legislation as he sees it to the congressional committee as he reported them to us?" I would like to see these benefits inserted into the plan and think the bill should be amended in this direction, and I would welcome his support.

The irony of the situation is that these benefits were in the original program as it was first outlined 3 to 4 years ago, but were removed becaused of the opposition of organized medicine.

Let me make it clear, in justice to my society, that the record of the American Medical Association in scientific and public health areas is brilliant—in improving the standards of medical education, in closing the diploma mills, in its relentless war on medical quackery, in sponsoring laws for purer food and drugs, in supporting the establishment of the U.S. Public Health Service, in supporting medical research in countless ways, in raising the standards of hospitals—of these accomplishments every physician is proud and every American should be grateful. But in the socioeconomic field, its record is somewhat less than distinguished or enlightened.

It has been claimed that the social security approach to medical care is socialized medicine. This is not so. This is not socialized medicine, nor will it lead to it. Under socialized medicine, the Government owns the hospitals and supervises the medical facilities and its policies, pays the salaries of the doctors and other personnel. The Marine and Veterans' Hospital Administrations, the psychiatric and tuberculosis hospitals, State and Federal, are good examples of socialized medicine. The Armed Forces Medical Services which helped to save hundreds of thousands of American lives in recent wars are pure socialized medicine. The Walter Reed Hospital, which twice saved the life of a President of the United States, is socialized medicine. The University of Oregon Medical School Hospital, to which our Governor is rushed when he becomes ill, practices pure socialized medicine. This term is a smokescreen designed to frighten the American people and the doctors, but it no longer frightens me.

I am old enough to remember back to 1932 and 1933 when prepaid medical care plans were first proposed. These programs were the precursors of what are now Blue Cross and Blue Shield. They were pointed to with alarm as forms of socialized medicine. These programs were called threats to the American way of life, which would produce poorer health care for the American people. We were warned about a Government czar who would soon tell the doctors how to practice medicine. I remember the talk about the "erosion of our democracy." Over the years we have heard the same charges every time there has been any plan to improve the welfare of the American people. We heard it when old age benefits were increased, when unemployment insurance was introduced, when disability benefits were allowed, when the maternal and child welfare program was introduced. I have heard this same old record played so many times over the years that I must confess I am getting a little tired of it. The Kennedy plan is not socialized medicine. It is merely a mechanism to aid the working people in buying hospital and other insurance which they would be otherwise unable to afford, to protect them against the expense of medical catastrophes in later years.

This type of medical insurance has been called an alien philosophy which had its origins with the dictators of Europe—Bismarck, Hitler, and Hirohito, as we were told 2 weeks ago. Actually, it goes back further than that. It goes back to John Adams, second President of the United States. In 1798 the Congress set up the first medical insurance plan under the U.S. Marine Hospital Service. The scheme was financed by deducting from the seamen's wages, contributions to pay for their hospital expenses. Walter Lippmann, who has called attention to this interesting bit of medical Americana, says that the Founding Fathers were not subject to the hobgoblins that seem to frighten so many people today. He comments wryly, "If this program was socialized medicine, the Founding Fathers were blandly unaware of it."

It is said that the Kennedy proposal might result in overcrowding of hospitals, and I think this is true. This is a distinct possibility but any increase in the use of the hospitals will be temporary. There is a tremendous backlog of needed medical services among our aged people. Tens of thousands of them need hernia repair to make them

active and useful; cataract extractions to restore useful vision. Patients with failing hearts and high blood pressure need hospital care for the initiation of their treatment. Thousands of diabetics need management and regulation in hospitals; innumerable women require neglected pelvic surgery and diagnostic biopsies to detect early cancer. Tens of thousands of older men with prostate trouble need short-term hospitalization for diagnostic studies and surgery to make them comfortable and to save them from fatal kidney damage. This is part of the tremendous backlog which will have to be overcome before the pressures on the hospitals will subside. The real pressure will be on the nursing homes. The President has submitted plans for low-cost loans to double the nursing home capacity in this country.

Actually, the King-Anderson bill implements only a small part of the President's health program which he submitted to the Congress. He calls not only for more hospitals and more nursing homes and other health facilities but called attention to the fact that we need more doctors, more dentists, and other health personnel. His other health proposals will help meet these urgent needs. He has proposed a Federal program of aid to medical and dental schools. He has proposed Federal scholarships for bright students who wish to study medicine or dentistry and who need financial help. All these proposals are of tremendous importance in our drive toward better health for all of the American people.

It has been stated, and it was stated here, that the social security approach to health needs will result in a poorer quality of medical care. This is an astonishing and a shocking statement, and I think that all conscientious physicians will challenge it emphatically. It does a disservice to the doctor and to his profession to impute that his treatment, that his care of his patients will be determined by who is paying the bill.

Finally, I feel that I must speak out on a delicate and sensitive matter which disturbs me deeply. I must say to those who profess so freely to speak on these matters for the doctors—I must say to them that they do not speak for me, and that they do not speak for a rapidly growing number of thoughtful physicians all across the land. They do not speak for a great majority of those physicians who are engaged in research, and in teaching in the medical schools. They do not represent the doctors in the Veterans' Administration, those engaged in group practices in some of our finest medical organizations and most significantly, they do not speak for a rapidly increasing number of younger doctors. They do not speak for these. I have been delighted and astonished by the number of physicians who have approached me in recent weeks since I first spoke out on this subject, and who have indicated their interest and their support. I am deeply disturbed, however, at their frequent request that I not mention their names, nor reveal their feelings on these matters. They are in real fear of professional reprisals and they remain silent in their professional contacts and are not heard from, or represented, in the councils of the medical societies, either at the local or national level.

In summary, I would like to submit that the social security system is the only effective mechanism for the American people to build up for themselves an adequate measure of health protection in their old age. We, in this richest country in the world, should no longer allow any member of our society, through no fault of his own, to be robbed of independence and dignity in his old age. We cannot, we must not permit illnesses in older people to go untreated or to permit disabilities which could be corrected to add torment and anguish to what should be the golden years of our older men and women. We need to move forward into a new era, when our senior citizens will have more of the blessings of the society which they helped to build. These are the practical, the conservative, the sound objectives of the social security approach to health insurance for the aged. This is the program which all reasonable and all informed Americans will support.

Dr. Goodman's speech did not go unnoted. In the Oregon Labor Press of September 15, there appeared an excellent editorial, pointing to the contrast between Dr. Goodman's carefully reasoned statement and the "abusive and often misleading" propaganda of the AMA. This editorial raises again the question, "Who does speak for the medical profession?"

A DOCTOR SPEAKS

Do the abusive and often misleading attacks of the American Medical Association (AMA) on the Anderson-Kerr bill reflect the opinion of its members?

The bill would provide medical assistance—chiefly hospital and nursing home care—for older citizens under the social security program.

Recent rumblings suggest that they do not. The vigorous campaign in support of the bill, launched by Stanford University medical men, caught on like a prairie fire and spread through the bay area to northern California. (See the July 14 issue of the Labor Press.)

Last Friday, Dr. Morton J. Goodman, distinguished Portland physician, spoke out courageously for the bill in a talk to the City Club.

A member of the AMA and a 25-year member of the Oregon State Medical Society, Dr. Goodman served 4 years on the State welfare commission. As chairman of the commission's medical care committee, he learned firsthand about the medical needs of older citizens and how they are being tragically neglected.

Against this background, he compared the two major approaches to solving the problem of medical care for the aged: the Kerr-Mills law, supported by the AMA, and the Anderson-Kerr bill, so stridently opposed by organized medicine.

In those States that match available Federal funds and participate in the program, the Kerr-Mills law provides limited medical care to the so-called medically indigent. There are citizens who have taken a means test—pauper's oath.

Dr. Goodman called it degrading for our citizens who have been financially independent all of their lives to have to go, hat in hand, to a welfare agent in order to prove poverty.

He gave this shocking example of an average citizen's reaction to the help available under the Kerr-Mills law:

A 71-year-old widow, who worked most of her active years as a nurse, recently broke her hip. Hospital and surgical expenses of $3,200 cut sharply into her savings. Her only income is a $78 monthly social security check.

She has a bad heart and recently she called on the doctor. She was specific. "I will never go on welfare and I want to make my plans."

"I know exactly what those plans are," Dr. Goodman said. "Rather than accept charity, when her remaining savings are exhausted, this woman intends quietly and unobtrusively to take her own life.

"The Kerr-Mills plan, in my opinion, doesn't begin to meet the medical care needs of the large groups of our older citizens," the doctor declared. "It swats flies instead of draining the swamp."

Turning to the Anderson-King bill, he called it a modest, conservative approach which is fiscally sound and I cannot understand why any reasonable person who has read the bill and understands it, doesn't favor it.

He exposed—and disposed—of two false charges made against the measure:

1. That it would destroy free choice of physicians "This bill has nothing to do with the physician. It has nothing to do with medical care. It is merely hospital insurance and I think that is one of its major shortcomings. I think the bill is not inclusive enough," Dr. Goodman declared.

2. The charge that it would result in "socialized medicine" he called a "smokescreen designed to frighten the American people and the doctors."

"This is not socialized medicine, nor will it lead to it," he told the City Club. The marine and veterans' hospitals, State and Federal tuberculosis and psychiatric hospitals—these are good examples of socialized medicine. "The University of Oregon Medical School Hospital, to which our Governor is rushed when he becomes ill, practices pure socialized medicine," he said.

Spokesmen who make these charges against medical care for the aged under social security "do not speak for me," Dr. Goodman told the audience. Nor, he added, do they speak for a great majority of those physicians engaged in research or as teachers, nor for the rapidly increasing number of younger doctors.

Do they speak for the majority of the country's doctors? Or is it time for the AMA to make an agonizing reappraisal and move into the 1960's?

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. CHURCH (at the request of Mr. HALLECK), on account of official business, to attend the 16th General Assembly of the United Nations, to which she has been named a delegate for the United States.

Mr. SHELLEY (at the request of Mr. SISK), on account of illness.

Mr. MULTER (at the request of Mr. RYAN), for an indefinite period on account of official business.

Mrs. NORRELL (at the request of Mr. MILLS), for Monday, Tuesday, and Wednesday of this week on account of official business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LAIRD, for 1 hour, today.

Mr. EVINS, for 40 minutes, today.

Mr. DEVINE (at the request of Mr. KYL), for 30 minutes, on Wednesday.

Mr. ICHORD of Missouri (at the request of Mr. ALBERT), for 5 minutes today, to revise and extend his remarks and to include extraneous matter.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WHITTEN.

Mr. FOGARTY and to include extraneous matter.

Mr. PHILBIN and to include extraneous matter.

Mr. BOLAND, during debate on the bill H.R. 9096, and to include extraneous matter.

Mr. ALGER.

Mr. LINDSAY.

(The following Member (at the request of Mr. KYL) and to include extraneous matter:)

Mr. FULTON.

(The following Members (at the request of Mr. KYL) and to include extraneous matter:)

Mr. TOLL in two instances.

Mr. WILLIS.

Mr. GRANT.

## ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore.

H.R. 1325. An act for the relief of Mrs. Seto Yiu Kwei;

H.R. 1369. An act for the relief of Zsuzsanna Reisz;

H.R. 1378. An act to authorize the Secretary of the Interior to enter into an exchange of certain land in Madera County, Calif., with Mary Saunders Moses;

H.R. 1394. An act for the relief of Laszlo Hamori;

H.R. 1399. An act for the relief of Mrs. Josefa Pidlaoan and daughter, Annabelle Pidlaoan;

H.R. 1422. An act for the relief of Mrs. Agavni Yazicioglu;

H.R. 1459. An act for the relief of EN/2 Hideo Chuman, U.S. Navy;

H.R. 1496. An act for the relief of Aloysius van de Velde;

H.R. 1532. An act for the relief of Jeanine Ruth Tabacnik;

H.R. 1550. An act for the relief of Jesus Garza Lopez;

H.R. 1551. An act for the relief of Kim-Ok Yun;

H.R. 1569. An act for the relief of Isei Sakioka;

H.R. 1581. An act for the relief of Maria Falato Colacicco;

H.R. 1583. An act for the relief of Mrs. Chung-Huang Tang Kao;

H.R. 1614. An act for the relief of Byron K. Efthimiadis;

H.R. 1630. An act for the relief of Carma Pereira de Bustillos;

H.R. 1646. An act for the relief of Joan Josephine Smith;

H.R. 1714. An act for the relief of Nicholas J. Katsaros;

H.R. 1898. An act for the relief of Isabel Brown;

H.R. 1901. An act for the relief of Georgia J. Makris;

H.R. 2136. An act for the relief of Hajime Misaka;

H.R. 2145. An act for the relief of Joginder Singh Toor;

H.R. 2280. An act to provide for the withdrawal of certain public lands 40 miles east of Fairbanks, Alaska, for use by the Department of the Army as a Nike range;

H.R. 2283. An act to provide for the withdrawal from the public domain of certain lands in the Big Delta area, Alaska, for continued use by the Department of the Army at Fort Greely, and for other purposes;

H.R. 2555. An act to authorize pay with respect to civilian employees of the United States in cases of emergency evacuations, to consolidate the laws governing allotment and assignment of pay by such employees, and for other purposes;

H.R. 2655. An act for the relief of Mrs. Pamela Gough Walker;

H.R. 2822. An act for the relief of Gregoire A. Kublin;

H.R. 2924. An act to repeal an act entitled "An act extending the time in which to file adverse claims and institute adverse suits against mineral entries in the district of Alaska," approved June 7, 1910 (36 Stat. 459);

H.R. 3133. An act for the relief of Mrs. Maria A. Schmoldt;

H.R. 3393. An act for the relief of Istvan Zsoldos;

H.R. 3404. An act for the relief of Elemer Christian Sarkozy;

H.R. 3718. An act for the relief of Matthias Nock, Jr.;

H.R. 4221. An act for the relief of Sylvia Abrams Abramowitz;

H.R. 4384. An act for the relief of Richard Fordham;

H.R. 4499. An act for the relief of Mrs. Margaret Ruda Daniel;

H.R. 4553. An act for the relief of Zbigniew Ryba;

H.R. 5136. An act for the relief of Compton Jones and Hulbert Jones;

H.R. 5138. An act for the relief of Francisco Joaquim Alves;

H.R. 5141. An act for the relief of Vito Recchia;

H.R. 5735. An act for the relief of Steven Mark Hallinan;

H.R. 6007. An act to amend section 505(d) of the Classification Act of 1949, as amended, with respect to certain positions in the General Accounting Office;

H.R. 6158. An act for the relief of Adolphe C. Verheyn;

H.R. 7576. An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes;

H.R. 8072. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1962, and for other purposes;

H.R. 8666. An act to provide for the improvement and strengthening of the international relations of the United States by promoting better understanding among the peoples of the world through educational and cultural exchanges; and

H.R. 8678. An act to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes.

## SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 902. An act to amend the Small Business Investment Act of 1958, and for other purposes; and

S. 2237. An act to amend the Immigration and Nationality Act; and for other purposes.

## BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolution of the House of the following titles:

H.R. 2281. An act to reserve for use by the Department of the Army at Fort Richardson, Alaska, certain public lands in the Campbell Creek area, and for other purposes;

H.R. 2282. An act to provide for the withdrawal from the public domain of certain lands in the Ladd-Eielson area, Alaska, for use by the Department of the Army as the Yukon Command training site, Alaska, and for other purposes;

H.R. 2585. An act relating to the credits against the employment tax in the case of certain successor employers and to provide an election for past taxable years with respect to the determination of gross income from mining in the case of quartzite and clay used in the production of refractory products;

H.R. 3920. An act to authorize an exchange of land at the Agricultural Research Center;

H.R. 5852. An act to provide for the free entry of a towing carriage for the use of the University of Michigan, and to increase the duty-free exemption of persons arriving in the United States who are not returning residents thereof;

H.R. 6193. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.;

H.R. 6494. An act to provide for withdrawal and reservation for the use of the Department of the Air Force of certain public lands of the United States at Nellis Air Force Range, Nevada, for defense purposes;

H.R. 7057. An act relating to the determination of gross income from the property for taxable years prior to 1961 in the case of certain clays and shale which were used in the manufacture of certain clay products;

H.R. 8414. An act to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property;

H.R. 8762. An act to amend the Small Business Act; and

H.J. Res. 558. Joint resolution providing for printing copies of "Cannon's Procedure in the House of Representatives."

## ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Tuesday, September 19, 1961, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1319. A letter from the Comptroller General of the United States, transmitting a report on review of interservice utilization of aeronautical equipment and supplies within the Department of Defense; to the Committee on Government Operations.

1320. A letter from the Secretary of the Interior, transmitting a copy of an application for a loan for the Klamath Basin Improvement District in Klamath County, Oreg., pursuant to the Small Reclamation Projects Act of 1956 (as amended June 5, 1957, 71 Stat. 48); to the Committee on Interior and Insular Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SHEPPARD: Committee of conference. H.R. 8302. A bill making appropriations for military construction for the

Department of Defense for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 1201). Ordered to be printed.

Mr. MILLS: Committee on Ways and Means. S. 1750. An act to strengthen the Federal Firearms Act; without amendment (Rept. No. 1202). Referred to the House Calendar.

Mr. McMILLAN: Committee on the District of Columbia. S. 558. An act to amend the acts of March 3, 1901, and June 28, 1944, so as to exempt the District of Columbia, from paying fees in any of the courts of the District of Columbia; without amendment (Rept. No. 1204). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 564. An act to provide for apportioning the expense of maintaining and operating the Woodrow Wilson Memorial Bridge over the Potomac River from Jones Point, Va., to Maryland; without amendment (Rept. No. 1205). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 1291. An act to amend the District of Columbia Traffic Act, 1925, as amended, to increase the fee charged for learners' permits; without amendment (Rept. No. 1206). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 2397. An act authorizing the National Capital Transportation Agency to carry out part 1 of its transit development program and to further the objectives of the act approved July 14, 1960 (74 Stat. 537); without amendment (Rept. No. 1207). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORRESTER: Committee on the Judiciary. H.R. 5393. A bill to amend the Bankruptcy Act, as amended; with amendment (Rept. No. 1208). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. H.R. 4998. A bill to assist in expanding and improving community facilities and services for the health care of aged and other persons, and for other purposes (Rept. No. 1209). Ordered to be printed.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. S. 158. An act to confer upon the domestic relations branch of the municipal court for the District of Columbia jurisdiction to hear and determine the petition for adoption filed by Marie Taliaferro; without amendment (Rept. No. 1203). Referred to the Committee of the Whole House.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL (by request):

H.R. 9273. A bill to repeal obsolete laws relating to military bounty land warrants and to provide for cancellation of recorded warrants; to the Committee on Interior and Insular Affairs.

By Mr. GRANT:

H.R. 9274: A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes; to the Committee on Agriculture.

By Mr. LAIRD (by request):

H.R. 9275. A bill to donate to the Stockbridge-Munsee community some submarginal lands of the United States, and to make such lands parts of the reservation involved; to the Committee on Interior and Insular Affairs.

By Mrs. MAY:

H.R. 9276: A bill to authorize the naming of the reservoir to be created by the Little Goose lock and dam, Snake River, Wash., in honor of the late Dr. Enoch A. Bryan; to the Committee on Public Works.

By Mr. MOSS:

H.R. 9277. A bill to place certain limitations on the authority of the Federal Communications Commission to delete previously assigned very high frequency television channels, to give the Commission certain regulatory authority over television receiving apparatus, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KYL:

H.R. 9278. A bill to provide a government for the Trust Territory of Micronesia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHIPLEY:

H.R. 9279. A bill to deny the use of the U.S. postal service for the carriage of Communist political propaganda; to the Committee on Post Office and Civil Service.

By Mr. ASPINALL:

H.R. 9280. A bill to amend section 2 of the act of July 31, 1947 (61 Stat. 681), and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASHBROOK:

H.R. 9281. A bill to deny the use of the U.S. postal service for the carriage of Communist political propaganda; to the Committee on Post Office and Civil Service.

By Mr. ELLIOTT:

H.R. 9282. A bill to amend the Agricultural Adjustment Act as reenacted by the Agricultural Marketing Agreement Act of 1937; to the Committee on Agriculture.

By Mr. BURKE of Kentucky:

H.J. Res. 579. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GRANT:

H. Res. 469. Resolution providing, that the Federal Communications Commission should not adopt any action requiring present very-high-frequency television stations to change its operation to any channel other than another of the present channels; to the Committee on Interstate and Foreign Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONTE:

H.R. 9283. A bill for the relief of Tomasso DiGioia; to the Committee on the Judiciary.

By Mrs. DWYER:

H.R. 9284. A bill for the relief of Kazimierz Brzeski; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 9285. A bill for the relief of Helenita K. Stephenson; to the Committee on the Judiciary.

By Mr. KING of California:

H.R. 9286. A bill for the relief of Yung Chul Kang, his wife, Bok Nam Suh Kang, and their minor daughter, U Ri Hang Kang; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 9287. A bill for the relief of Maria Mereghetti (Mother Benedetta); to the Committee on the Judiciary.

H.R. 9288. A bill for the relief of Annunziata Colombo (Mother Cherubina); to the Committee on the Judiciary.

By Mr. RIVERS of South Carolina:

H.R. 9289. A bill for the relief of Herbert Thomas King, his wife, Si-Ling Chang King; and his stepdaughter, Hsiao-ling King; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## Service on the Appropriations Committee

EXTENSION OF REMARKS

OF

### HON. JAMIE L. WHITTEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Monday, September 11, 1961*

Mr. WHITTEN. Mr. Speaker, I am serving my 19th year on the Appropriations Committee. Believe me, service on the committee is quite an experience.

We hold hearings from 10 each morning until 5 o'clock in the afternoon, with an hour off at lunch—practically every day of the session. We attend to our other duties before and after, and by interruption.

Many of our constituents write us to obtain appropriations for public works projects and many other programs and, in the same mail, write us not to appropriate money.

Even our colleagues come before our committee, ask for appropriations in huge sums, and some frequently file a carbon copy of their statement with the committee, send the original to the press; then if we appropriate the money a news release is issued as to what appropriations our friend got and, of course, anything not obtained was the fault of that "old Appropriations Committee." All of this is OK, of course, under the rules of the political game. After all, those of us on the committee are no different. We, too, like to provide for those things in which we believe, especially when our people agree with us.

Actually, sometimes the inconsistencies are lots of fun to watch. A few years ago the Denver Post berated the committee for refusing to appropriate $2 million to eradicate bark beetles which plague that area—and in the same paper severely criticized the Appropriations Committee for "spending the Nation's money far too liberally."

I wrote the editor that while most people were for saving money, every section had its "bark beetles" and when you added up the cost of meeting all of them the total greatly exceeded the national income.