By Mr. BALDWIN:

H.R. 7580. A bill for the relief of Mariano Cabanilla; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H.R. 7581. A bill for the relief of Mike H. Kostelac; to the Committee on the Judicary.

H.R. 7582. A bill for the relief of Dario Tacquechel; to the Committee on the Judiciary.

By Mr. HOLTZMAN (by request):

H.R. 7583. A bill for the relief of Robert Dryland; to the Committee on the Judiciary.

By Mr. KOWALSKI:

H.R. 7584. A bill for the relief of Guido Rubbo; to the Committee on the Judiciary.

By Mr. McSWEEN:

H.R. 7585. A bill to provide for the conveyance of certain real property of the United States to John R. Lincecum, et al.; to the Committee on Agriculture.

By Mr. RABAUT:

H.R. 7586. A bill for the relief of Vinicio Ferretti; his wife, Lubiana Vivette Ferretti; and their minor child, Maria Cristina Janette Ferretti; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

176. By Mr. KOWALSKI: Petition of the Connecticut Public Utilities Commission relative to activities of the General Services Administration; to the Committee on Interstate and Foreign Commerce.

177. By Mr. SHRIVER: Petition of the Wichita Real Estate Board of Wichita, Kans., expressing its urgent feeling that the proposal contained in President Kennedy's tax message, to limit application of long term capital-gains tax to only that part of real estate investment growth not created by depreciation, will be a dire hardship to owners and investors, depressing on real estate values and the national economy in general; to the Committee on Ways and Means.

SENATE

THURSDAY, JUNE 8, 1961

The Senate met at 12 o'clock noon, and was called to order by the Vice President.

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

O Thou whose approval we seek above the hollow applause of men, at noonday we pause in the midst of thronging duties and vital issues that, in our darkness, Thou mightest lift upon us the light of Thy countenance.

Amid all the tinsel of material things deliver us from any camouflaged selfishness which shrinks the soul, from unreasoned hatred which eats like a canker, from any impurity which blinds the inner eyes to Thee and the godlike about us, and from the cynicism of unbelief which dims the splendor of the glory life may hold.

Save us from the distorted vision which magnifies the speck in our neighbor's eye and ignores the splinter in our own, leading us to condemn in others the faults we condone in ourselves.

May those who stand in this holy place of public trust, as daily they ascend this Hill of solemn responsibility, come with clean hands and pure hearts and a passion to serve the present age.

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

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 7, 1961, was dispensed with.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore.

S. 215. An act for the relief of Ennis Craft McLaren;

S. 546. An act for the relief of In Fil Chung, In Ae Chung, In Sook Chung, and In Ja Chung;

S. 751. An act to terminate the existence of the Indian Claims Commission, and for other purposes;

S. 949. An act for the relief of John G. Tiedemann; and

S. 1064. An act for the relief of Samuel Pisar.

HOUSE BILL REFERRED

The bill (H.R. 7445) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1962, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

APPOINTMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair appoints the Senator from Montana [Mr. METCALF] to be a member of the United States-Canadian Interparliamentary Group to succeed the Senator from Montana [Mr. MANSFIELD].

TRANSACTION OF ROUTINE BUSINESS

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

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the new reports.

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

Samuel D. Berger, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Korea;

Dr. Walter Adams, of Michigan, to be a member of the U.S. Advisory Commission on Educational Exchange;

Dr. Mabel M. Smythe, of New York, to be a member of the U.S. Advisory Commission on Educational Exchange;

Anthony B. Akers, of New York, to be Ambassador Extraordinary and Plenipotentiary to New Zealand; and

Erle Cocke, Jr., of Georgia, to be U.S. Alternate Executive Director of the International Bank for Reconstruction and Development.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. RUSSELL. Mr. President, from the Committee on Armed Services, I report favorably the nominations of 17 major generals and 15 brigadier generals for appointment in the Regular Army. I ask that these names be placed on the Executive Calendar.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The nominations were placed on the Executive Calendar, as follows:

Gen. Thomas D. White (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of general;

Gen. Curtis E. LeMay (major general, Regular Air Force), U.S. Air Force, for appointment as Chief of Staff, U.S. Air Force; and

Maj. Gen. Hugh Pate Harris, Army of the United States (brigadier general, U.S. Army), and sundry other officers, for appointment in the Regular Army of the United States.

Mr. RUSSELL. In addition, I report favorably 1,886 nominations in the Regular Air Force in the grade of lieutenant colonel and below, and 198 nominations in the Regular Army in the grade of major and below. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations are as follows:

Robert R. Carper, and sundry other officers, for promotion in the Regular Army of the United States; and

Julian R. Abernathy, Jr., and sundry other officers, for promotion in the Regular Air Force.

The VICE PRESIDENT. If there be no further reports of committees, the nominations under the new reports on the Executive Calendar will be stated.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of Clarence F. Pautzke, of Washington, to be Commissioner of Fish and Wildlife, Department of the Interior.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

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

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

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

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

LEGISLATIVE SESSION

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

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

EXECUTIVE COMMUNICATIONS, ETC.

The Vice President laid before the Senate the following letters, which were referred as indicated:

REPORT ON RESEARCH AND DEVELOPMENT OF ENGINES FOR CENTAUR AND SATURN C-2 VEHICLES

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., reporting, pursuant to law, on research and development work on the engines for the second stages of the Centaur and the Saturn C-2 vehicles; to the Committee on Aeronautical and Space Sciences.

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction of facilities, and for other purposes (with an accompanying paper); to the Committee on Aeronautical and Space Sciences.

REPORT ON PRIME CONTRACT AWARDS TO SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on Army, Navy, and Air Force prime contract awards to small and other business firms, covering the period July 1960–March 1961 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF COMMUNICATIONS ACT, RELATING TO CONSIDERATION OF CERTAIN LICENSE APPLICATIONS

A letter from the Chairman, Federal Communications Commission, transmitting a draft of proposed legislation to amend the Communications Act to provide for summary judgment procedure in the consideration of license applications, in appropriate cases (with accompanying papers); to the Committee on Commerce.

REPORT ON EXAMINATION OF AIR-TRAVEL POLICIES OF SELECTED DEFENSE CONTRACTORS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the air-travel policies of selected defense contractors with respect to savings available to the Government through increased use of less costly than first-class accommodations, dated June 1961 (with an accompanying report); to the Committee on Government Operations.

PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on a project proposal in Klamath County, Oreg., under the Small Reclamation Projects Act of 1956; to the Committee on Interior and Insular Affairs.

JOE KAWAKAMI

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Joe Kawakami (with an accompanying paper); to the Committee on the Judiciary.

ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

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

By the Vice President:

A resolution of the Legislature of the State of Florida; to the Committee on Finance:

"SENATE MEMORIAL 618

"Memorial to the Congress of the United States to pass House of Representatives bill No. 6168 and Senate bill No. 1571 proposing a curb on the excessive import of shrimp

"Whereas there have been introduced in the Congress of the United States bills seeking to curb excessive imports of shrimp and to bring some measure of stability to the domestic shrimp market, such bills being exemplified by House of Representatives bill No. 6168 and Senate bill No. 1571; and

"Whereas the shrimp fishery of the State of Florida constitutes one of its most important industries and provides a wise utilization for this valuable natural resource; and

"Whereas the shrimp fishery of the State of Florida has been adversely affected and financially crippled by unstable market conditions brought about in whole or in part by uncontrolled foreign imports of shrimp; and

"Whereas it is the sense of this legislature that it is unable to cope with the problem and afford to the shrimp fishery protection which it needs, but that such remedial measures are within the power and the purview of the Federal Congress and the Executive: Now, therefore, be it

"*Resolved by the Legislature of the State of Florida*, That the Senate and the House of Representatives of the State of Florida, assembled in regular biennial session in Tallahassee, Fla., do hereby memorialize and petition the Congress of the United States and the departments of the executive branch of the Federal Government to exert their best efforts to bring about a measure of stability to the domestic shrimp market by a regulation of imports of shrimp so that the domestic shrimp industry may survive and prosper, giving employment to Americans, utilizing fully this valuable natural resource, and preserving and maintaining the individual and independent seamen and producers who wrest their living dangerously from the sea; and be it further

"*Resolved*, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate; to the Speaker of the U.S. House of Representatives; to the ablest congressional delegation in the U.S. Congress, the Florida delegation; and to the Governor of the great State of Florida."

A resolution of the Legislature of the State of Florida; to the Committee on Foreign Relations:

"HOUSE MEMORIAL 1693

"Memorial to the Congress of the United States to provide that the United States cease all trade with the Republic of Cuba

"Whereas the Republic of Cuba, located within 90 miles of the United States, has been led by its leaders into the bloc of Communist nations whose avowed purpose is to destroy the United States and its form of government; and

"Whereas the Republic of Cuba has intentionally attempted to discredit the United States in the eyes of the world; and

"Whereas untold hundreds of millions of dollars of property owned by Americans have been confiscated by the Republic of

Cuba without due process of law or just compensation; and

"Whereas Americans and freedom-loving Cubans have been felled by bullets which well might have been purchased from Communist nations, with dollars earned by trading with the United States; and

"Whereas the Government of the United States has deemed it proper to sever diplomatic relations and curtail trade with the Republic of Cuba; and

"Whereas to continue any trade whatsoever, and thereby contribute to the economy of a country who with each new day humiliates the United States by any means available, is an absurdity of the highest degree; and

"Whereas the people of Florida join with all other freedom-loving people in feeling that the relatively small amount of trade left with the Republic of Cuba should not be used to finance the purchase of arms for the continuation of the Cuban bloodbath: Now, therefore, be it

"Resolved by the Legislature of the State of Florida, That the Congress of the United States be and it is requested to take the appropriate steps necessary to cease all American trade with the Republic of Cuba so long as diplomatic relations between the two nations do not exist; and be it further

"Resolved, That copies of this memorial be dispatched to the President of the United States; to the President of the U.S. Senate; to the Speaker of the House of Representatives of the United States; and to each Member of the Florida congressional delegation."

Two joint resolutions of the Legislature of the Territory of American Samoa; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION 12

"Joint resolution requesting the Congress to amend section 308(2) of the Immigration and Nationality Act to provide that persons born in a foreign country of parents, one of whom is a national of the United States, shall acquire American nationality at birth under certain circumstances

"Whereas section 308(2) of the Immigration and Nationality Act provides that a person born in a foreign country of parents, both of whom are noncitizen nationals of the United States and had a residence in the United States or in one of its outlying possessions prior to such birth, shall be a noncitizen national of the United States; and

"Whereas because of the proximity to American Samoa of Western Samoa, which is a foreign territory, many American Samoans who are nationals of the United States have married persons who are Western Samoans; and

"Whereas many such married couples, of which only one spouse is an American Samoan and a national of the United States, are permanently residing in American Samoa; and

"Whereas under existing law, any children of such parents who are born in American Samoa are noncitizen nationals of the United States and any children which are born to such parents while they may be temporarily in Western Samoa would have the status of aliens, even though the parents had prior thereto and they and all their children subsequently reside permanently in American Samoa; and

"Whereas such differences in nationality among the children in a family is divisive and not conducive to family harmony and all members of such families living permanently in American Samoa strongly desire the blessings of American nationality because of their strong bonds with the United States: Now, therefore, be it

"Resolved by the Seventh Legislature of American Samoa, That the Congress of the United States is hereby requested to amend section 308(2) of the Immigration and Nationality Act so that its provisions will confer American nationality at birth upon any person born in a foreign area of parents who have, prior to the birth, had a residence in the United States or one of its outlying possessions, if any of his parents is a noncitizen national of the United States; and be it further

"Resolved, That certified copies of this joint resolution shall be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States; the Attorney General of the United States; the Commissioner of Immigration and Naturalization; the Secretary of the Interior; the Director of the Office of Territories, and the Governor of American Samoa.

"RAPI SOTOA,
"President of the Senate.
"MUAGUTUTI'A F. TUIA,
"Speaker, House of Representatives."

"HOUSE JOINT RESOLUTION 10

"Joint resolution memorializing the Congress of the United States to enact legislation authorizing an appropriate judicial official to exercise authorities of a naturalization court in American Samoa in naturalization cases under section 329 of the Immigration and Nationality Act of June 27, 1952, as amended

"Whereas section 329 of the Immigration and Nationality Act makes special provisions for the naturalization of noncitizen nationals of the United States who have served honorably in the armed services of the United States during World War I and World War II; and

"Whereas that provision of law requires that 'the petition in naturalization may be filed in any court having naturalization jurisdiction regardless of the residence of the petitioner'; and

"Whereas there is now no naturalization court in American Samoa and there is now no official in American Samoa who is designated to perform the functions of a naturalization court and the nearest such court is located more than 2,000 miles away in Hawaii; and

"Whereas there are in American Samoa many nationals of the United States who have served honorably in the Armed Forces of the United States during World War I and World War II and who are eligible to apply for citizenship under section 329 of the Immigration and Nationality Act; and

"Whereas these veterans are anxious to become citizens of the United States but cannot avail themselves of this desired status under the provisions of said section 329 because they cannot afford to travel the long distance to Hawaii or elsewhere in order to appear before a naturalization court: Now, therefore, be it

"Resolved by the Seventh Legislature of American Samoa, That the Congress of the United States be, and it is hereby respectfully requested to enact legislation authorizing an appropriate judicial official of the United States to exercise the power and authority of a naturalization court in American Samoa for the purpose of receiving, hearing and acting upon petitions for citizenship filed by veterans of World War I and World War II under the provisions of section 329 of the Immigration and Nationality Act; and be it further

"Resolved, That certified copies of this joint resolution shall be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, the Attorney General of the United States, the Secretary of the Interior, the Director of the Office of Territories, and the Governor of American Samoa.

"RAPI SOTOA,
"President of the Senate.
"MUAGUTUTI'A F. TUIA,
"Speaker, House of Representatives."

Two resolutions adopted at a meeting of the First Congregational Church, Washington, D.C., relating to Federal aid to education; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 848. A bill to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn. (Rept. No. 356).

By Mr. PROXMIRE, from the Committee on Agriculture and Forestry, without amendment:

S. 302. A bill to amend the act of June 22, 1948, as amended, relating to certain areas within the Superior National Forest, in the State of Minnesota, and for other purposes (Rept. No. 359).

By Mr. HART, from the Committee on Agriculture and Forestry, without amendment:

S. 650. A bill to amend the Watershed Protection and Flood Prevention Act to permit certain new organizations to sponsor works of improvement thereunder (Rept. No. 357).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with an amendment:

S. 1040. A bill to abolish the Federal Farm Mortgage Corporation, and for other purposes (Rept. No. 358).

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

S. 1440. A bill to amend the act approved July 14, 1960 (74 Stat. 526), relating to the establishment of a register in the Department of Commerce of certain motor vehicle operators' licenses (Rept. No. 360); and

S. 1668. A bill to authorize the imposition of forfeitures for certain violations of the rules and regulations of the Federal Communications Commission in the common carrier and safety and special fields (Rept. No. 361).

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL EMPLOYMENT AND PAY

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal employment and pay for the month of April 1961. In accordance with the practice of several years' standing, I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

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

FEDERAL PERSONNEL IN EXECUTIVE BRANCH, APRIL 1961 AND MARCH 1961, AND PAY, MARCH 1961 AND FEBRUARY 1961

PERSONNEL AND PAY SUMMARY

(See table I)

Information in monthly personnel reports for April 1961 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures is summarized as follows:

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In April numbered—	In March numbered—	Increase (+) or decrease (−)	In March was—	In February was—	Increase (+) or decrease (−)
Total [1]	2,377,684	2,365,230	+12,454	$1,197,066	$1,043,874	+$153,192
Agencies exclusive of Department of Defense	1,339,938	1,330,095	+9,843	661,900	579,575	+82,325
Department of Defense	1,037,746	1,035,135	+2,611	535,166	464,299	+70,867
Inside the United States	2,216,632	2,204,863	+11,769			
Outside the United States	161,052	160,367	+685			
Industrial employment	563,118	564,393	−1,275			
Foreign nationals	171,116	171,993	−877	25,488	[2] 22,283	3,205

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

Table I breaks down the above figures on employment and pay by agencies.

Table II breaks down the above employment figures to show the number inside the United States by agencies.

Table III breaks down the above employment figures to show the number outside the United States by agencies.

Table IV breaks down the above employment figures to show the number in industrial-type activities by agencies.

Table V shows foreign nationals by agencies not included in tables I, II, III, and IV.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during April 1961, and comparison with March 1961, and pay for March 1961, and comparison with February 1961*

Department or agency	Personnel				Pay (in thousands)			
	April	March	Increase	Decrease	March	February	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	88,993	88,110	883		$43,014	$36,928	$6,086	
Commerce [1]	29,268	29,441		173	17,495	15,564	1,931	
Health, Education, and Welfare	67,937	66,987	950		36,215	31,425	4,790	
Interior	52,998	51,915	1,083		29,099	25,449	3,650	
Justice	30,390	30,464		74	19,730	17,335	2,395	
Labor	7,197	7,252		55	4,306	3,647	659	
Post Office	573,503	569,154	4,349		259,101	228,587	30,514	
State [2] [3]	37,880	37,678	202		18,664	16,802	1,862	
Treasury	83,038	81,420	1,618		46,120	39,699	6,421	
Executive Office of the President:								
White House Office	408	403	5		254	220	34	
Bureau of the Budget	457	456	1		395	360	35	
Council of Economic Advisers	36	37		1	36	24	12	
Executive Mansion and Grounds	70	70			36	36		
National Aeronautics and Space Council	3	1	2		(4)			
National Security Council	60	61		1	51	45	6	
Office of Civil and Defense Mobilization	1,791	1,788	3		1,285	1,122	163	
President's Committee on Fund Raising Within the Federal Service	3	4		1	3	3		
Independent agencies:								
Advisory Commission on Intergovernmental Relations	19	14	5		9	6	3	
Alaska International Rail and Highway Commission	3	3			2	2		
American Battle Monuments Commission	447	433	14		84	72	12	
Atomic Energy Commission	6,871	6,832	39		4,938	4,299	639	
Board of Governors of the Federal Reserve System	592	[5] 598		6	399	344	55	
Civil Aeronautics Board	750	752		2	557	487	70	
Civil Service Commission	3,716	3,677	39		2,280	1,965	315	
Civil War Centennial Commission	7	7			5	5		
Commission of Fine Arts	6	6			5	4	1	
Commission on Civil Rights	78	76	2		48	38	10	
Development Loan Fund	150	151		1	110	98	12	
Export-Import Bank of Washington	247	239	8		173	152	21	
Farm Credit Administration	236	235	1		169	151	18	
Federal Aviation Agency	41,522	40,937	585		26,697	22,537	4,160	
Federal Coal Mine Safety Board of Review	7	7			4	4		
Federal Communications Commission	1,355	1,361		6	912	795	117	
Federal Deposit Insurance Corporation	1,251	1,246	5		814	704	110	
Federal Home Loan Bank Board	1,091	1,087	4		708	622	86	
Federal Mediation and Conciliation Service	341	343		2	299	258	41	
Federal Power Commission	865	870		5	607	530	77	
Federal Trade Commission	808	810		2	604	528	76	
Foreign Claims Settlement Commission	55	53	2		39	35	4	
General Accounting Office	4,836	4,866		30	3,075	2,682	393	
General Services Administration	29,602	29,577	25		14,080	12,314	1,766	
Government Contract Committee [6]		25		25	18	15	3	
Government Printing Office	6,658	6,620	38		3,612	3,061	551	
Housing and Home Finance Agency	11,194	11,133	61		7,011	6,061	950	
Indian Claims Commission	15	15			15	13	2	
Interstate Commerce Commission	2,370	2,366	4		1,595	1,375	220	
National Aeronautics and Space Administration	16,560	16,499	61		12,395	10,977	1,418	
National Capital Housing Authority	392	376	16		165	143	22	
National Capital Planning Commission	49	45	4		34	29	5	
National Capital Transportation Agency	20	13	7		8	8		
National Gallery of Art	324	326		2	138	119	19	
National Labor Relations Board	1,775	1,783		8	1,215	1,054	161	
National Mediation Board	116	118		2	98	92	6	
National Science Foundation	685	719		34	446	374	72	
Outdoor Recreation Resources Review Commission	42	47		5	34	28	6	
Panama Canal	14,129	14,378		249	4,856	4,769	87	
President's Committee on Equal Employment Opportunity [7]	25		25					
Railroad Retirement Board	2,171	2,185		14	1,184	1,032	152	
Renegotiation Board	274	278		4	214	202	12	
St. Lawrence Seaway Development Corporation	162	163		1	97	83	14	
Securities and Exchange Commission	1,048	1,048			725	623	102	
Selective Service System	6,585	6,545	40		2,126	1,835	291	
Small Business Administration	2,426	2,385	41		1,569	1,308	261	
Smithsonian Institution	1,094	1,094			549	482	67	
Soldiers' Home	1,030	1,022	8		331	311	20	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	50	49	1		37	32	5	
Subversive Activities Control Board	27	27			23	21	2	
Tariff Commission	267	264	3		192	169	23	

See footnotes at end of table.

TABLE I.—*Consolidated table of Federal personnel inside and outside the United States employed by the executive agencies during April 1961, and comparison with March 1961, and pay for March 1961, and comparison with February 1961*—Continued

Department or agency	Personnel				Pay (in thousands)			
	April	March	Increase	Decrease	March	February	Increase	Decrease
Independent agencies—Continued								
Tax Court of the United States	149	147	2		$117	$104	$13	
Tennessee Valley Authority	15,996	15,473	523		9,312	7,847	1,465	
Texas Water Study Commission	50	49	1		35	30	5	
U.S. Information Agency	10,826	10,804	22		4,471	3,905	566	
Veterans' Administration	173,518	173,610		92	76,658	67,435	9,223	
Virgin Islands Corporation	1,024	1,068		44	198	160	38	
Total, excluding Department of Defense	1,339,938	1,330,095	10,682	839	661,900	579,575	82,325	
Net increase, excluding Department of Defense			9,843				82,325	
Department of Defense:								
Office of the Secretary of Defense	1,919	1,955		36	1,495	1,296	199	
Department of the Army	385,259	382,674	2,585		193,689	166,551	27,138	
Department of the Navy	344,700	344,256	444		184,568	160,827	23,741	
Department of the Air Force	305,868	306,250		382	155,414	135,625	19,789	
Total, Department of Defense	1,037,746	1,035,135	3,029	418	535,166	464,299	70,867	
Net increase, Department of Defense			2,611				70,867	
Grand total, including Department of Defense [8]	2,377,684	2,365,230	13,711	1,257	1,197,066	1,043,874	153,192	
Net increase, including Department of Defense			12,454				153,192	

[1] April figure includes 165 seamen on the rolls of the Maritime Administration and their pay.
[2] April figure includes 14,256 employees of the International Cooperation Administration, as compared with 14,155 in March, and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The April figure includes 3,512 of these trust fund employees and the March figure includes 3,509.
[3] April figure includes 87 employees of the Peace Corps as compared with 29 in March and their pay.
[4] Less than $500.
[5] Revised on basis of later information.
[6] Abolished by Executive Order 10925 dated Mar. 7, 1961.
[7] New agency created pursuant to Executive Order 10925 dated Mar. 7, 1961.
[8] Exclusive of personnel and pay of the Central Intelligence Agency and the National Security Agency.

TABLE II.—*Federal personnel inside the United States employed by the executive agencies during April 1961, and comparison with March 1961*

Department or agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	87,982	87,109	873	
Commerce [1]	28,686	28,877		191
Health, Education, and Welfare	67,466	66,522	944	
Interior	52,524	51,442	1,082	
Justice	30,059	30,130		71
Labor	7,111	7,178		67
Post Office	572,205	567,866	4,339	
State [2] [3]	9,561	9,458	103	
Treasury	82,460	80,842	1,618	
Executive Office of the President:				
White House Office	408	403	5	
Bureau of the Budget	457	456		1
Council of Economic Advisers	36	37		1
Executive Mansion and Grounds	70	70		
National Aeronautics and Space Council	3	1		2
National Security Council	60	61		1
Office of Civil and Defense Mobilization	1,791	1,788	3	
President's Committee on Fund Raising Within the Federal Service	3	4		1
Independent agencies:				
Advisory Commission on Intergovernmental Relations	19	14	5	
Alaska International Rail and Highway Commission	3	3		
American Battle Monuments Commission	12	12		
Atomic Energy Commission	6,835	6,797	38	
Board of Governors of the Federal Reserve System	592	[4] 598		6
Civil Aeronautics Board	749	751		2
Civil Service Commission	3,713	3,674	39	
Civil War Centennial Commission	7	7		
Commission of Fine Arts	6	0		
Commission on Civil Rights	78	76	2	
Development Loan Fund	150	151		1
Export-Import Bank of Washington	247	239	8	
Farm Credit Administration	236	235	1	
Federal Aviation Agency	40,552	39,974	578	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,353	1,359		6
Federal Deposit Insurance Corporation	1,249	1,244	5	
Federal Home Loan Bank Board	1,091	1,087	4	
Federal Mediation and Conciliation Service	341	343		2
Federal Power Commission	865	870		5
Federal Trade Commission	808	810		2
Foreign Claims Settlement Commission	53	52	1	
General Accounting Office	4,765	4,795		30
General Services Administration	29,602	29,577	25	
Government Contract Committee [5]		25		25
Government Printing Office	6,658	6,620	38	
Housing and Home Finance Agency	11,049	10,988	61	
Independent agencies—Continued				
Indian Claims Commission	15	15		
Interstate Commerce Commission	2,370	2,366	4	
National Aeronautics and Space Administration	16,551	16,491	60	
National Capital Housing Authority	392	376	16	
National Capital Planning Commission	49	45	4	
National Capital Transportation Agency	20	13	7	
National Gallery of Art	324	326		2
National Labor Relations Board	1,746	1,755		9
National Mediation Board	116	118		2
National Science Foundation	680	714		34
Outdoor Recreation Resources Review Commission	42	47		5
Panama Canal	270	398		128
President's Committee on Equal Employment Opportunity [6]	25		25	
Railroad Retirement Board	2,171	2,185		14
Renegotiation Board	274	278		4
St. Lawrence Seaway Development Corporation	162	163		1
Securities and Exchange Commission	1,048	1,048		
Selective Service System	6,428	6,392	36	
Small Business Administration	2,394	2,353	41	
Smithsonian Institution	1,085	1,085		
Soldiers' Home	1,030	1,022	8	
South Carolina, Georgia, Alabama, and Florida Water Study Commission	50	49	1	
Subversive Activities Control Board	27	27		
Tariff Commission	267	264	3	
Tax Court of the United States	149	147	2	
Tennessee Valley Authority	15,993	15,470	523	
Texas Water Study Commission	50	49	1	
U.S. Information Agency	2,818	2,811	7	
Veterans' Administration	172,474	172,557		83
Total, excluding Department of Defense	1,280,942	1,271,122	10,513	693
Net increase, excluding Department of Defense			9,820	
Department of Defense:				
Office of the Secretary of Defense	1,878	1,916		38
Department of the Army	334,411	331,991	2,420	
Department of the Navy	322,429	322,035	394	
Department of the Air Force	276,972	277,799		827
Total, Department of Defense	935,690	933,741	2,814	865
Net increase, Department of Defense			1,949	
Grand total, including Department of Defense	2,216,632	2,204,863	13,327	1,558
Net increase, including Department of Defense			11,769	

[1] April figure includes 165 seamen on the rolls of the Maritime Administration.
[2] April figure includes 2,041 employees of the International Cooperation Administration, as compared with 2,002 in March.
[3] April figure includes 87 employees of the Peace Corps as compared with 29 in March.
[4] Revised on basis of later information.
[5] Abolished by Executive Order 10925 dated Mar. 7, 1961.
[6] New agency created pursuant to Executive Order 10925 dated Mar. 7, 1961.

TABLE III.—*Federal personnel outside the United States employed by the executive agencies during April 1961, and comparison with March 1961*

Department or agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,011	1,001	10	
Commerce	582	564	18	
Health, Education, and Welfare	471	465	6	
Interior	474	473	1	
Justice	331	334		3
Labor	86	74	12	
Post Office	1,298	1,288	10	
State [1]	28,319	28,220	99	
Treasury	578	578		
Independent agencies:				
American Battle Monuments Commission	435	421	14	
Atomic Energy Commission	36	35	1	
Civil Aeronautics Board	1	1		
Civil Service Commission	3	3		
Federal Aviation Agency	970	963	7	
Federal Communications Commission	2	2		
Federal Deposit Insurance Corporation	2	2		
Foreign Claims Settlement Commission	2	1	1	
General Accounting Office	71	71		
Housing and Home Finance Agency	145	145		
National Aeronautics and Space Administration	9	8	1	
National Labor Relations Board	29	28	1	
National Science Foundation	5	5		
Panama Canal	13,859	13,980		121
Independent agencies—Continued				
Selective Service System	157	153	4	
Small Business Administration	32	32		
Smithsonian Institution	9	9		
Tennessee Valley Authority	3	3		
U.S. Information Agency	8,008	7,993	15	
Veterans' Administration	1,044	1,053		9
Virgin Islands Corporation	1,024	1,068		44
Total, excluding Department of Defense	58,996	58,973	200	177
Net increase, excluding Department of Defense			23	
Department of Defense:				
Office of the Secretary of Defense	41	39	2	
Department of the Army	50,848	50,683	165	
Department of the Navy	22,271	22,221	50	
Department of the Air Force	28,896	28,451	445	
Total, Department of Defense	102,056	101,394	662	
Net increase, Department of Defense			662	
Grand total, including Department of Defense	161,052	160,367	862	177
Net increase, including Department of Defense			685	

[1] April figure includes 12,215 employees of the International Cooperation Administration, as compared with 12,153 in March. These ICA figures include employees who are paid from foreign currencies deposited in a trust fund for this purpose. The April figure includes 3,512 of these trust fund employees and the March figure includes 3,509.

TABLE IV.—*Industrial employees of the Federal Government inside and outside the United States employed by the executive agencies during April 1961, and comparison with March 1961*

Department or agency	April	March	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,547	3,541	6	
Commerce	5,634	5,598	36	
Interior	8,021	7,977	44	
Post Office	235	234	1	
Treasury	5,126	5,103	23	
Independent agencies:				
Atomic Energy Commission	239	241		2
Federal Aviation Agency	1,795	1,776	19	
General Services Administration	1,405	1,400	5	
Government Printing Office	6,658	6,620	38	
National Aeronautics and Space Administration	16,560	16,499	61	
Panama Canal	7,002	7,221		219
St. Lawrence Seaway Development Corporation	128	128		
Tennessee Valley Authority	13,153	12,638	515	
Virgin Islands Corporation	1,024	1,068		44
Total, excluding Department of Defense	70,527	70,044	748	265
Net increase, excluding Department of Defense			483	
Department of Defense:				
Department of the Army:				
Inside the United States	[1] 137,400	[2] 136,441	959	
Outside the United States	[1] 4,600	[2] 4,600		
Department of the Navy:				
Inside the United States	198,949	198,773	176	
Outside the United States	474	473	1	
Department of the Air Force:				
Inside the United States	149,634	152,515		2,881
Outside the United States	1,534	1,547		13
Total, Department of Defense	492,591	494,349	1,136	2,894
Net decrease, Department of Defense			1,758	
Grand total, including Department of Defense	563,118	564,393	1,884	3,159
Net decrease, including Department of Defense			1,275	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under U.S. agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of April 1961 and comparison with March 1961*

Country	Total		Army		Navy		Air Force		National Aeronautics and Space Administration	
	April	March	April	March	April	March	April	March	April	March
Australia	1	1							1	1
Canada	32	32					32	32		
Crete	50	50					50	50		
England	3,317	3,321			19	18	3,298	3,303		
France	21,730	21,862	17,884	17,922	6	6	3,840	3,934		
Germany	80,204	80,487	67,406	67,621	58	58	12,740	12,808		
Greece	276	273					276	273		
Japan	55,669	56,120	20,081	19,881	15,076	15,206	20,512	21,033		
Korea	6,263	6,243	6,263	6,243						
Morocco	2,895	2,906			856	858	2,039	2,048		
Netherlands	44	43					44	43		
Norway	24	24					24	24		
Saudi Arabia	5	5					5	5		
Trinidad	606	626			606	626				
Total	171,116	171,993	111,634	111,667	16,621	16,772	42,860	43,553	1	1

STATEMENT BY SENATOR BYRD OF VIRGINIA

Executive agencies of the Federal Government reported civilian employment in the month of April totaling 2,377,684. This was a net increase of 12,454 compared with employment reported in the preceding month of March.

Civilian employment reported by the executive agencies of the Federal Government, by months in fiscal year 1961, which began July 1, 1960, follows:

Month	Employment	Increase	Decrease
July 1960	2,382,549		125
August	2,384,933	2,384	
September	2,364,636		20,297
October	2,360,534		4,102
November	2,360,667	133	
December	2,356,737		3,930
January 1961	2,352,837		3,900
February	2,358,141	5,304	
March	2,365,230	7,089	
April	2,377,684	12,454	

Total Federal employment in civilian agencies for the month of April was 1,339,938, an increase of 9,843 as compared with the March total of 1,330,095. Total civilian employment in the military agencies in April was 1,037,746, an increase of 2,611 as compared with 1,035,135 in March.

Civilian agencies reporting the larger increases were Post Office Department with 4,349, Treasury Department with 1,618, Interior Department with 1,083, Department of Health, Education, and Welfare with 950, Agriculture Department with 883, Federal Aviation Agency with 585, and Tennessee Valley Authority with 523. Increases in the Departments of Agriculture and Interior were largely seasonal.

In the Department of Defense, increases in civilian employment were reported by the Department of the Army with 2,585, and the Department of the Navy with 444. The Department of the Air Force reported a decrease of 382.

Inside the United States civilian employment increased 11,769, and outside the United States civilian employment increased 685. Industrial employment by Federal agencies in April totaled 563,118, a decrease of 1,275.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures.

FOREIGN NATIONALS

The total of 2,377,684 civilian employees certified to the Committee by Federal agencies in their regular monthly personnel reports includes some foreign nationals employed in U.S. Government activities abroad, but in addition to these there were 171,116 foreign nationals working for the U.S. agencies overseas during April who were not counted in the usual personnel reports. The number in March was 171,993. A breakdown of this employment for April follows:

Country	Total	Army	Navy	Air Force	National Aeronautics and Space Administration
Australia	1				1
Canada	32			32	
Crete	50			50	
England	3,317		19	3,298	
France	21,730	17,884	6	3,840	
Germany	80,204	67,406	58	12,740	
Greece	276			276	
Japan	55,669	20,081	15,076	20,512	
Korea	6,263	6,263			
Morocco	2,895		856	2,039	
Netherlands	44			44	
Norway	24			24	
Saudi Arabia	5			5	
Trinidad	606		606		
Total	171,116	111,634	16,621	42,860	1

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. McNAMARA:

S. 2042. A bill to subject to Federal income taxes the interest on State and local bonds issued to provide facilities for private business; to the Committee on Finance.

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

By Mr. PASTORE:

S. 2043. A bill 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; to the Joint Committee on Atomic Energy.

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

By Mr. McCARTHY:

S. 2044. A bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with the livestock purchasing operations; to the Committee on Agriculture and Forestry.

S. 2045. A bill to amend the Internal Revenue Code of 1954, as amended; and

S. 2046. A bill to amend the Internal Revenue Code of 1954 to allow a dependency exemption in the case of a physically handicapped grandchild, although such grandchild has income in excess of $600; to the Committee on Finance.

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

By Mr. MUNDT (for himself, Mr. YOUNG of North Dakota, and Mr. CASE of South Dakota):

S. 2047. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Finance.

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

By Mr. MILLER (for himself and Mr. HICKENLOOPER):

S. 2048. A bill to authorize the Secretary of the Army to pay fair value for improvements located on the railroad rights-of-way owned by bona fide lessees or permittees; to the Committee on Public Works.

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

By Mr. EASTLAND:

S.J. Res. 100. Joint resolution to provide for recognition of the centennial of the establishment of the Department of Agriculture, and for other purposes; and

S.J. Res. 101. Joint resolution to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges; to the Committee on the Judiciary.

REPEAL OF TAX-EXEMPT STATUS OF CERTAIN MUNICIPAL BONDS

Mr. McNAMARA. Mr. President, I introduce, for appropriate reference, a bill to subject to Federal income taxes the interest on State and local bonds issued to provide facilities for private business.

The PRESIDING OFFICER (Mr. McGEE in the chair). The bill will be received and appropriately referred.

The bill (S. 2042) to subject to Federal income taxes the interest on State and local bonds issued to provide facilities for private business, introduced by Mr. McNAMARA, was received, read twice by its title, and referred to the Committee on Finance.

Mr. McNAMARA. Mr. President, the bill I introduce today would repeal the tax-exempt status of municipal bonds, issued for the purpose of industrial development.

The intent here, simply, is to end a situation of grossly unfair economic competition between the States—competition that is, in effect, subsidized by the Federal Government and its taxpayers.

Industrial piracy, the luring of business from one location to another with unfair concessions, is bad enough, without having such practices underwritten by the taxpayers in the very area from which the industry was stolen.

That is just what occurs when a municipality issues tax-exempt bonds, to finance construction of industrial facilities, which are in turn offered to a company on a lease basis.

The company thus gets a brandnew plant, with little or no capital outlay. Through no mere coincidence, these deals usually are in areas where wage rates are below standard. Since the municipality usually retains title, the company frequently pays no property taxes.

And to add insult to this injury, the company itself may buy a large portion of the tax-exempt bonds, thus getting a double-barreled tax advantage.

At the present time, at least 15 States permit municipalities to issue such bonds. The practice is growing, creating a serious abuse of an already questionable tax advantage.

The authority for Federal tax exemption on State and local government securities stems from the original Income Tax Act of 1913. Originally it was believed that the securities received the exempt status on constitutional grounds.

However, recent decisions of the Supreme Court have convinced many constitutional authorities that these securities no longer enjoy immunity from Federal taxation.

But questionable though the status may be, that is not really the point in this argument.

The issuance of State or local bonds, free from Federal taxation for legitimate public purposes, is one thing. The building of schools, community improvements, and the like, through bond issues, is a financial necessity in many municipalities. It can be argued that tax exemption certainly makes the bonds more attractive.

However, issuing such bonds for the specific purpose of promoting industrial development, should not qualify for tax exemption.

The real result of these bonds is to provide private businessmen with the chance to earn a larger profit.

Furthermore, in most States legalizing this practice, the bonds are not even backed up by the full faith and credit of the issuing government agency.

They are, instead, revenue bonds payable out of the rental fees paid by the occupant industrial firms.

Under such circumstances, the securities are really nothing but commercial bonds, with a fictional "public" veneer.

A recent example is a $25 million industrial bond issue by Cherokee, Ala., under which Armour & Co. will acquire a new chemical plant with 26 years to pay.

According to Business Week magazine, these bonds will carry 4¾ percent interest, free from Federal taxation, with interest and principal payments coming solely from Armour's lease payments.

Noting that this issue will add to the controversy over the tax-exempt status of such bonds, Business Week concludes:

> If the Cherokee issue were an industrial borrowing—under normal circumstances it would be fully taxable. But because Cherokee—rather than Armour—is doing the borrowing—it is tax exempt.

Another example affects my own State of Michigan which is losing the Norge Division of Borg-Warner Corp. to Greenwood, Ark.

The new plant is financed by a $7.5 million bond issue, tax exempt, of course.

The real tragedy here is that the company will leave behind in Michigan 1,400 workers who have been given no opportunity to move with the plant.

Yet, these very workers, as taxpayers, are helping to subsidize the company's move.

Still another example is the Gemmer Manufacturing Co., which has been doing business in Detroit since 1907.

It has announced it will move to Lebanon, Tenn., which reportedly has floated a $2.4 million bond issue to build a plant for the company.

In this situation, 750 employees whose average age is 48 and who have spent an average of 20 years with the company, will not be permitted even an opportunity to move with the firm.

An editorial in the Detroit News calls this harsh and unjust and notes that the loyalty expected of the employees should be matched by the loyalty of the employer.

These workers will have a difficult time finding new employment, and the shattering effect on their lives and that of their families is the most insidious part of this industrial piracy.

By extending tax-exempt privileges to these bonds, the Federal Government actually is engaging in a discriminatory tax policy, since it forces the rest of the taxpayers to shoulder an inequitable share of the Federal tax burden.

Further, by thus assisting local governments in subsidizing private industry at the expense of other areas of the country, the Federal Government engages in unfair economic practices.

In addition to the improprieties of these bond transactions, a word of caution might also go to the communities which practice them.

There have been many instances where municipalities lent their credit to private business, only to be forced to default on their own securities, when business conditions worsened and the business went bankrupt.

Also, a company which is crafty and profit hungry enough to become a willing party to this industrial piracy, may not be easily trusted to remain a good neighbor.

Once initial commitments of the firm to a community are fulfilled, and it is then forced into the proper role of a local taxpayer, there is nothing really to prevent that company from moving on to the next town to obtain new tax concessions and even a free brandnew plant.

There is nothing wrong with healthy competition between the States. Michigan has had many companies move in because of its skilled work force, its relations to market areas, and other advantages. These advantages are widely advertised.

By the same token, some firms have moved out because another location best suited their particular business needs. Over the long haul, I am happy to note, Michigan has gained many more jobs than it has lost.

But no one is complaining of this kind of competition.

What is at issue is the unfair competion, what might be called the loss-leader approach to lure industry, with taxpayers elsewhere in the Nation footing the bill.

I believe this is a moral issue, and the Government of the United States cannot permit itself to be used in this fashion.

The way to curb this abuse is to remove the tax-exemption privilege from municipal bonds used for these purposes.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2042

A bill to subject to Federal income taxes the interest on State and local bonds issued to provide facilities for private business.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 103 of the Internal Revenue Code of 1954 (relating to exclusion from gross income of interest on certain governmental obligations) is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (d) the following new subsection:

"(c) EXCEPTION; CERTAIN STATE AND LOCAL OBLIGATIONS.—

"(1) Proceeds used to provide private business facilities.—Subsection (a)(1) shall not apply to interest on any obligation issued after the date of the enactment of this subsection if any part of the proceeds realized from the issuance of such obligation is used, directly or indirectly, for the construction, reconstruction, erection, installation, or acquisition of land, buildings, machinery, equipment, or other facilities to be used by any person, other than the government issuing such obligations, in the conduct of any trade or business for profit.

(b) The heading of 103(b) of such Code is amended by striking out "Exception" and inserting in lieu thereof "Exception; Certain United States Obligations".

(c) The amendments made by subsections (a) and (b) shall apply to taxable years beginning after the date of the enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

Mr. PASTORE. Mr. President, I introduce, for appropriate reference, a bill 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. I ask unanimous consent that the bill may be printed in the RECORD.

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

The bill (S. 2043) 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, introduced by Mr. PASTORE, was received, read twice by its title, referred to the Joint Committee on Atomic Energy, and ordered to be printed in the RECORD, as follows:

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

SEC. 101. PLANT OR FACILITY ACQUISITION OR CONSTRUCTION.—There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261a(1) of the Atomic Energy Act of 1954, as amended, the sum of $226,440,000 for acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, as follows:

(a) SPECIAL NUCLEAR MATERIALS.—

Project 62-a-1, modifications to production and supporting installations, $7,500,000.

Project 62-a-2, fission product recovery, phase II, Hanford, Washington, $1,500,000.

Project 62-a-3, modifications for improved natural fuel elements, Savannah River, South Carolina, $3,950,000.

Project 62-a-4, solvent purification installation, Savannah River, South Carolina, $500,000.

Project 62-a-5, additional reactor confinement, Savannah River, South Carolina, $3,000,000.

Project 62-a-6, electric energy generating facilities for the new production reactor, Hanford, Washington, $95,000,000.

(b) SPECIAL NUCLEAR MATERIALS.—

Project 62–b–1, relocation of Clinch River pumping station, Oak Ridge, Tennessee, $1,425,000.

Project 62–b–2, feed vaporization building, Paducah, Kentucky, $585,000.

Project 62–b–3, permanent Gallaher Bridge, Oak Ridge, Tennessee, $1,265,000.

(c) ATOMIC WEAPONS.—

Project 62–c–1, weapons production, development, and test installations, $7,500,000.

Project 62–c–2, specialized plant addition and modification, Oak Ridge, Tennessee, $3,500,000.

Project 62–c–3, Tandem Van de Graaff facility, Los Alamos, New Mexico, $3,500,000.

(d) REACTOR DEVELOPMENT.—

Project 62–d–1, test plant for project SNAP, Santa Susana, California, $3,375,000.

Project 62–d–2, experimental beryllium oxide reactor, National Reactor Testing Station, Idaho, $8,000,000.

Project 62–d–3, fuels recycle pilot plant, Hanford, Washington, $5,000,000.

Project 62–d–4, high radiation level analytical laboratory, Oak Ridge National Laboratory, Tennessee, $2,000,000.

Project 62–d–5, improvements to radioactive liquid waste system, Oak Ridge National Laboratory, Tennessee, $1,700,000.

Project 62–d–6, experimental organic cooled reactor loops, National Reactor Testing Station, Idaho, $6,000,000.

Project 62–d–7, ultra-high temperature reactor experiment building, Los Alamos Scientific Laboratory, New Mexico, $3,500,000.

(e) REACTOR DEVELOPMENT.—

Project 62–e–1, additional transient housing, Argonne National Laboratory, Illinois, $300,000.

Project 62–e–2, technical services building, National Reactor Testing Station, Idaho, $1,500,000.

Project 62–e–3, instrumentation and health physics building, Brookhaven National Laboratory, New York, $2,000,000.

(f) PHYSICAL RESEARCH.—

Project 62–f–1, modifications to CP–5 reactor and low energy accelerator installations, Argonne National Laboratory, Illinois, $1,650,000.

Project 62–f–2, accelerator and reactor additions and modifications, Brookhaven National Laboratory, New York, $1,875,000.

Project 62–f–3, accelerator improvements, Cambridge and Princeton accelerators, $500,000.

Project 62–f–4, accelerator improvements, Lawrence Radiation Laboratory, California, $550,000.

(g) PHYSICAL RESEARCH.—

Project 62–g–1, high energy physics laboratory, Argonne National Laboratory, Illinois, $6,900,000.

Project 62–g–2, chemistry laboratory, Brookhaven National Laboratory, New York, $6,000,000.

Project 62–g–3, cosmotron laboratory addition, Brookhaven National Laboratory, New York, $525,000.

Project 63–g–4, mechanical shops building, Lawrence Radiation Laboratory, California, $2,640,000.

Project 62–g–5, physics building, University of Chicago, Illinois, $800,000.

(h) BIOLOGY AND MEDICINE.—

Project 62–h–1, laboratory for mixed fission product inhalation studies, Lovelace Foundation, Albuquerque, New Mexico, $2,000,000.

(i) BIOLOGY AND MEDICINE.—

Project 62–i–1, cell physiology laboratories, Oak Ridge National Laboratory, Tennessee, $500,000.

Project 62–i–2, mammalian genetics laboratories, Oak Ridge National Laboratory, Tennessee, $760,000.

Project 62–i–3, controlled environment laboratory, Brookhaven National Laboratory, New York, $1,000,000.

Project 62–i–4, animal bioradiological laboratory, Lawrence Radiation Laboratory, California, $700,000.

(j) COMMUNITY.—

Project 62–j–1, additional junior high school construction, Los Alamos, New Mexico, $1,750,000.

Project 62–j–2, additional elementary school construction, Los Alamos, New Mexico, $700,000.

Project 62–j–3, Mesa public library addition, Los Alamos, New Mexico, $70,000.

Project 62–j–4, real estate development, Los Alamos County, New Mexico, $410,000.

(k) GENERAL PLANT PROJECTS.—$34,510,000.

SEC. 102. LIMITATIONS.—(a) The Commission is authorized to start any project set forth in subsections 101 (a), (c), (d), (f), and (h), only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsections 101 (b), (e), (g), (i), and (j), only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start a project under subsection 101(k) only if it is in accordance with the following:

1. For community operations, the maximum currently estimated cost of any project shall be $100,000 and the maximum currently estimated cost of any building included in such project shall be $10,000.

2. For all other programs, the maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such a project shall be $100,000.

3. The total cost of all projects undertaken under subsection 101(k) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

SEC. 103. ADVANCE PLANNING AND DESIGN.—There are hereby authorized to be appropriated funds for advance planning, construction design, and architectural services, in connection with projects which are not otherwise authorized by law, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 104. RESTORATION OR REPLACEMENT.—There are hereby authorized to be appropriated funds necessary to restore or to replace plants or facilities destroyed or otherwise seriously damaged, and the Atomic Energy Commission is authorized to use funds currently or otherwise available to it for such purposes.

SEC. 105. CURRENTLY AVAILABLE FUNDS.—In addition to the sums authorized to be appropriated to the Atomic Energy Commission by section 101 of this Act, there are hereby authorized to be appropriated to the Atomic Energy Commission to accomplish the purposes of this Act such sums of money as may be currently available to the Atomic Energy Commission.

SEC. 106. SUBSTITUTIONS.—Funds authorized to be appropriated or otherwise made available by this Act may be used to start any other new project for which an estimate was not included in this Act if it be a substitute for a project or portion of a project authorized in subsections 101 (a), (b), and (c) and the estimated cost thereof is within the limit of cost of the project for which substitution is to be made, and the Commission certifies that—

(a) the project is essential to the common defense and security;

(b) the new project is required by changes in weapon characteristics or weapon logistic operations; and

(c) it is unable to enter into a contract with any person, including a licensee, on terms satisfactory to the Commission to furnish from a privately owned plant or facility the product or services to be provided in the new project.

SEC. 107. AMENDMENT OF PRIOR YEAR ACTS.—(a) Section 101 of Public Law 86–457 is amended by striking therefrom the figure "$211,476,000" and substituting therefor the figure "$338,476,000".

(b) Section 101(f) of Public Law 86–457 is amended by striking therefrom "Project 61–f–7, design and engineering, linear electron accelerator, $3,000,000" and substituting therefor "Project 61–f–7, linear electron accelerator, $114,000,000".

(c) Section 101(d) of Public Law 86–457 is amended by striking therefrom the figure "$24,000,000" for project 61–d–9, advanced test reactor, and substituting therefor the figure "$40,000,000".

SEC. 108. PROJECT RESCISSIONS.—(a) Public Law 86–457 is amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 61–b–2, high velocity test truck, Sandia Base, New Mexico, $2,100,000.

(b) Public Law 86–50, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

Project 60–a–2, prototype installation, gaseous diffusion plants, $1 million.

Project 60–b–1, cylinder storage area, Paducah, Kentucky, $500,000.

(c) Public Law 85–590, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

Project 59–c–9, test assembly building, $510,000.

Project 59–d–1, reprocessing pilot plant, Oak Ridge National Laboratory, Tennessee, $3,500,000.

Project 59–d–3, fast reactor safety testing station, Nevada test site, $1,367,000.

(d) Public Law 85–162, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 58–b–6, additions to gaseous diffusion plants, $6,600,000.

(e) Public Law 84–506, as amended, is further amended by rescinding therefrom authorization for projects, except for funds heretofore obligated, as follows:

Project 57–a–6, charging and discharging system, Hanford, Washington, $3,450,000.

SEC. 109. COOPERATIVE POWER REACTOR DEMONSTRATION PROGRAM.—

(a) Section 111 of Public Law 85–162, as amended, is further amended by striking out the date "June 30, 1961," in clause (3) of subsection (a) and inserting in lieu thereof the date "June 30, 1962."

(b) There is hereby authorized to be appropriated to the Atomic Energy Commission the sum of $7,000,000 to be available, in addition to the funds heretofore authorized, for carrying out the Commission's power reactor demonstration program in accordance with the terms and conditions provided in sections 110 and 112 of Public Law 86–50. The maximum amount of the program authorization, specified in subsection 110(b) of Public Law 86–50 and Section 109 of Public Law 86–457, is increased by $12,000,000. In addition to the amounts authorized under subsection 110(c) of Public Law 86–50 and section 109 of Public Law 86–457, the Commission is authorized to use funds not to exceed $7,000,000 in the aggregate, to provide research and development assistance in support of unsolicited proposals from the utility industry to construct nuclear power plants.

(c) Funds appropriated to the Commission pursuant to the authorization contained in subsection (b) and (d) of Section 110 of Public Law 86–50 shall be available to the Commission, notwithstanding the provisions of Section 111(f) of Public Law 85–162, for a cooperative arrangement in accordance with the basis for an agreement described in the Program Justification Data for Arrangement No. 60–110–2, a cooperative power reactor project designated as the La-Crosse Boiling Water Reactor.

SEC. 110. DISPOSITION OF ELECTRIC ENERGY.—

(a) Electric energy produced during the operating life of the electric generating facilities constructed under section 101(a) shall be delivered by the Commission at the site of said generating facilities to, and pursuant to agreement with the Secretary of the Interior who shall transmit and dispose of such energy under the terms prescribed by section 44 of the Atomic Energy Act of 1954, as amended.

(b) Allocation of costs to the production of such electric energy shall be made jointly by the Commission and the Secretary of the Interior, and, in the event of disagreement, shall be made by the President. Costs so allocated shall be returned to the Treasury from revenue derived by the Secretary from the disposition of electric energy marketed through the Bonneville Power Administration.

REQUIREMENT OF BONDS FOR PACKERS IN LIVESTOCK PURCHASING OPERATIONS

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations.

The purpose of the bill is to extend financial protection to sellers of livestock. It would require bonding of packers who are subject to jurisdiction under the Packers and Stockyards Act of 1921, as amended.

Since 1924 the Department of Agriculture has required bonds of the great majority of agents purchasing livestock from producers. At present about 11,000 market agencies and dealers are registered with the Department and post bonds. However, the question of whether packers can be required under the act to furnish bonds has remained uncertain as a result of litigation and court decisions. This bill would clarify the authority of the Department of Agriculture.

In the past the exemption of packers from bonding requirements was less important since packers purchased almost all of their livestock through terminal stockyards which were bonded and the farmer producers were protected. The trend has been toward purchases by packers directly from producers and a substantial amount of all livestock purchases are now made in this way. This leaves the seller at the risk of heavy financial loss if packer is unable to meet his obligations and fails in business.

The bill which I am introducing has been recommended by the Department of Agriculture, and the major farm organizations have given their support to legislation of this kind. My bill is identical with H.R. 4831, introduced in the House of Representatives by Representative KING, of New York.

I ask unanimous consent to include with my remarks excerpts from the testimony of Mr. Roy Lennartson which provide background information for the position of the Department on this bill.

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

The bill (S. 2044) to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, introduced by Mr. McCarthy, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The excerpts presented by Mr. McCARTHY are as follows:

EXCERPTS FROM STATEMENT BY ROY W. LENNARTSON, DEPUTY ADMINISTRATOR, AGRICULTURAL MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE, AT A HEARING ON H.R. 4831 BEFORE THE HOUSE COMMITTEE ON AGRICULTURE, APRIL 21, 1961.

It has been the experience of the Department that the bonding of market agencies and dealers as provided for by the Packers and Stockyards Act has contributed significantly to the financial stability of the livestock marketing industry with resulting protection to livestock producers. All market agencies and dealers except packer buyers, operating at stockyards posted under the Packers and Stockyards Act, have been bonded since 1924. At present, over 11,000 market agencies and dealers registered with the Department have on file with the Department bonds totaling approximately $70 million. These bonds range in size from a minimum of $5,000 to more than $500,000. Livestock producers have suffered only slight losses due to the insolvency of commission firms and dealers, but in recent years these firms have suffered sizable losses due to the failure of some packers to pay for livestock purchased.

In the early years of the administration of the act, nearly all livestock was sold through public terminal stockyards posted under the act and most livestock producers received the protection of the bonds carried by the market agency through whom they sold the livestock. However, during the past 30 years, an increasing proportion of the livestock sold has been sold direct to packers, to dealers, or through auction markets. With the amendment to the act in 1958 and the subsequent posting of approximately 1,600 auction markets and the registration of several thousand country dealers, bond protection has been extended to cover nearly all sales made by producers except those made directly to meatpackers. The increase in direct buying of livestock by packers takes away from these producers the protection previously afforded them by the required bonding of commission firms and dealers. It places them face to face with the risk of serious financial loss if the packer fails to pay for livestock purchases.

The Department has become increasingly concerned with losses incurred by livestock sellers, producers as well as dealers and market agencies, in connection with their sales to meatpackers. Although the Department does not maintain a complete file showing all meatpackers failures, the information it does have indicates that some of the packers that have ceased operation in the last few years owed substantial sums of money for livestock purchased. For example, the failure of a Pennsylvania packer and a District of Columbia packer in 1958, of two California packers, a New York packer, and a Michigan packer in 1959, and an Illinois packer in 1960 resulted in losses to livestock sellers of approximately $1½ million. In addition, information received by the Department indicates that an increasing number of packers appear to be operating under voluntary bankruptcy arrangements with creditors. Illustrative of this situation are five packers, two from Pennsylvania, and one each from Oregon, Texas, and Massachusetts which have tied up more than $800,000 of livestock sellers' funds for periods extending to more than 2 years.

AMENDMENT AND EXTENSION OF SUGAR ACT OF 1948

Mr. MUNDT. Mr. President, on behalf of myself, the Senator from North Dakota [Mr. YOUNG], and my colleague, the junior Senator from South Dakota [Mr. CASE], I introduce, for appropriate reference, a bill to amend and extend the provisions of the Sugar Act of 1948, as amended.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2047) to amend and extend the provisions of the Sugar Act of 1948, as amended, introduced by Mr. MUNDT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. CASE of South Dakota. Mr. President, a companion bill to the bill just introduced by the senior Senator from South Dakota [Mr. MUNDT] was introduced in the House of Representatives by Representative BENJAMIN REIFEL, of the First Congressional District of South Dakota. The bill makes possible the production of sugarbeets by farmers who are now engaged in the production of other crops by affording them an opportunity to produce a crop which is in short supply in the United States.

I commend the initiative taken by our colleague in the House, who represents the First District of South Dakota, and I am proud to be associated with the distinguished senior Senator from South Dakota in the introduction of the bill in the Senate.

RED ROCK RESERVOIR PROJECT

Mr. MILLER. Mr. President, I introduce, for appropriate reference, a bill which would authorize the payment of the fair value for improvements located on the railroad rights-of-way owned by bona fide lessees or permittees in connection with the construction of the Red Rock Reservoir on the Des Moines River. The policy therein established conforms to that previously established by Congress in connection with other similar situations.

The PRESIDING OFFICER (Mr. HART in the chair). The bill will be received and appropriately referred.

The bill (S. 2048) to authorize the Secretary of the Army to pay fair value for improvements located on the railroad rights-of-way owned by bona fide lessees or permittees, introduced by Mr. MILLER, was received, read twice by its title, and referred to the Committee on Public Works.

ESTABLISHMENT OF NATIONAL WILDERNESS PRESERVATION SYSTEM—AMENDMENTS

Mr. ALLOTT submitted amendments, intended to be proposed by him, to the bill (S. 174) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes, which were referred to the Committee on Agriculture and Forestry and ordered to be printed.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Ernest Morgan, of Texas, to be U.S. attorney, western district of Texas, term of 4 years, vice Russell B. Wine.

Harold Barefoot Sanders, Jr., of Texas, to be U.S. attorney, northern district of Texas, term of 4 years, vice William B. West III.

William W. Justice, of Texas, to be U.S. attorney, eastern district of Texas, term of 4 years, vice James Crawford, Jr.

Woodrow B. Seals, of Texas, to be U.S. attorney, southern district of Texas, term of 4 years, vice William B. Butler.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, June 14, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON THE JUDICIARY

Mr. McCLELLAN. Mr. President, as chairman of the Standing Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, I wish to announce that a public hearing will be held at 11 a.m. on Monday, June 12, 1961, in room 2228, New Senate Office Building, at which time persons interested in the following nominations will appear and testify:

Mr. Edwin L. Reynolds, of Maryland, to be First Assistant Commissioner of Patents.

Mr. Horace B. Fay, Jr., of Ohio, to be an Assistant Commissioner of Patents.

Mr. Arthur W. Crocker, of Maryland, to be an Examiner-in-Chief, U.S. Patent Office.

The subcommittee consists of the senior Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Michigan [Mr. HART], the senior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Wisconsin [Mr. WILEY], the junior Senator from New Hampshire [Mr. COTTON], and myself, as chairman.

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

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

By Mr. DODD:

Commencement Day address entitled "Freedom to Choose," delivered by him at the University of Dallas, in Dallas, Tex., on June 4, 1961.

By Mr. RANDOLPH:

Introduction of Speaker RAYBURN as commencement speaker at Woodward School for Boys and excerpts from address by Speaker RAYBURN.

A SUMMER RECESS

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter and a petition received from the Democratic Congressional Wives Forum and the Republican Congressional Wives Forum. The letter and the petition bear upon a proposal that is being rather widely discussed in the Capitol these months; namely, the proposition of a summer recess.

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

WASHINGTON, D.C., *June 5, 1961.*

Hon. GALE W. McGEE,
U.S. Senate, Washington, D.C.

DEAR SENATOR McGEE: At your request, we are submitting the enclosed material.

We would appreciate it if you would release the letter upon receipt; the petition has already been published.

We are coordinating this activity in the House and in the Senate.

Sincerely,

DEMOCRATIC CONGRESSIONAL WIVES FORUM.
REPUBLICAN CONGRESSIONAL WIVES CLUB.

WASHINGTON, D.C., *June 5, 1961.*

We respectfully submit the following petition as an expression of our desire to see the matter of summer recess discussed in the committees of Congress and in Congress itself. We do not presume to suggest how this may best be legislated, but after looking into the problems entailed by the session as it now stands, we are most hopeful that some sound solution can be reached.

The proposed summer recess would give more, rather than less time to legislative effort in Washington, since it is contemplated that Congress would reconvene in the autumn for such time as proves necessary. We recognize, of course, that this schedule would be subject to some change in election years.

At the request of Senator GALE McGEE, Democrat of Wyoming, and Congressman ROBERT R. BARRY, Republican of New York, we are submitting the following petition, in accordance with the bipartisan nature of this petition, for their use in committee hearings in the Senate and in the House.

DEMOCRATIC CONGRESSIONAL WIVES FORUM.
REPUBLICAN CONGRESSIONAL WIVES CLUB.

Mrs. E. Ross Adair, Mrs. Gordon Allott, Mrs. George W. Andrews, Mrs. Robert T. Ashmore, Mrs. Wayne N. Aspinall.

Mrs. Robert R. Barry, Mrs. E. L. Bartlett, Mrs. Perkins Bass, Mrs. William H. Bates, Mrs. James F. Battin, Mrs. J. Glenn Beall, Mrs. Page Belcher, Mrs. Alphonzo Bell, Mrs. Charles E. Bennett, Mrs. John B. Bennett, Mrs. Wallace F. Bennett, Mrs. E. Y. Berry, Mrs. Alan Bible, Mrs. John A. Blatnik, Mrs. Richard Bolling, Mrs. Herbert C. Bonner, Mrs. J. Floyd Breeding, Mrs. Daniel B. Brewster, Mrs. Overton Brooks, Mrs. William S. Broomfield, Mrs. Quentin Burdick, Mrs. Prescott Bush.

Mrs. Howard Walter Cannon, Mrs. John A. Carroll, Mrs. Charles E. Chamberlain, Mrs. Frank Chelf, Mrs. Frank Church, Mrs. Joseph S. Clark, Mrs. Merwin Coad, Mrs. Jeffery Cohelan, Mrs. Silvio O. Conte, Mrs. John Sherman Cooper, Mrs. James C. Corman, Mrs. William C. Cramer.

Mrs. Emilio A. Daddario, Mrs. Clifford Davis, Mrs. James C. Davis, Mrs. John W. Davis, Mrs. Charles C. Diggs, Jr., Mrs. John D. Dingell, Mrs. Thomas J. Dodd, Mrs. Peter H. Dominick, Mrs. Henry Dworshak, Mrs. Thaddeus J. Dulski.

Mrs. Ed Edmondson, Mrs. Clair Engle, Mrs. Joe L. Evins.

Mrs. Ivor D. Fenton, Mrs. Paul Findley, Mrs. Hiram L. Fong, Mrs. Gerald R. Ford, Jr., Mrs. James B. Frazier, Jr., Mrs. Peter Frelinghuysen, Jr., Mrs. J. William Fulbright.

Mrs. Peter A. Garland, Mrs. Milton W. Glenn, Mrs. Charles E. Goodell, Mrs. Robert P. Griffin, Mrs. Ernest Gruening.

Mrs. Harlan Hagen, Mrs. Ralph R. Harding, Mrs. Philip A. Hart, Mrs. James Harvey, Mrs. John Joseph Hickey, Mrs. Chet Holifield, Mrs. Spessard Holland, Mrs. Craig Hosmer, Mrs. Hubert H. Humphrey.

Mrs. Richard Ichord, Mrs. Harold T. Johnson, Mrs. Olin D. Johnston, Mrs. B. Everett Jordan.

Mrs. Robert W. Kastenmeier, Mrs. Estes Kefauver, Mrs. Hastings Keith, Mrs. Carleton J. King, Mrs. David S. King.

Mrs. Melvin R. Laird, Mrs. Odin Langen, Mrs. Richard Lankford, Mrs. Glenard P. Lipscomb, Mrs. Edward V. Long, Mrs. Oren Long, Mrs. J. Carlton Loser.

Mrs. Eugene J. McCarthy, Mrs. Gale McGee, Mrs. Clifford G. McIntire, Mrs. John L. McMillan, Mrs. Patrick V. McNamara.

Mrs. Clark MacGregor.

Mrs. Thaddeus M. Machrowicz, Mrs. William S. Mailliard, Mrs. Michael J. Mansfield, Mrs. Fred Marshall, Mrs. Lee Metcalf, Mrs. Clem Miller, Mrs. Jack R. Miller, Mrs. William E. Miller, Mrs. John S. Monagan, Mrs. A. S. Monroney, Mrs. Arch A. Moore, Jr., Mrs. Tom V. Moorehead, Mrs. William S. Moorhead, Mrs. Thomas E. Morgan, Mrs. Thomas G. Morris, Mrs. Wayne Morse, Mrs. Charles A. Mosher, Mrs. Frank E. Moss, Mrs. John E. Moss, Mrs. Edmund S. Muskie.

Mrs. Ancher Nelsen, Mrs. Walter Norblad, Mrs. Hjalmar C. Nygaard, Mrs. James G. O'Hara, Mrs. Arnold Olsen, Mrs. Harold C. Ostertag, Mrs. Wright Patman, Mrs. Claiborne Pell, Mrs. Thomas M. Pelly, Mrs. M. Blaine Peterson, Mrs. Richard H. Poff, Mrs. William Proxmire.

Mrs. Albert H. Quie, Mrs. William J. Randall, Mrs. Henry S. Reuss, Mrs. John J. Rhodes, Mr. R. Walter Riehlman, Mrs. Howard W. Robison, Mrs. James Roosevelt, Mrs. Richard L. Roudebush, Mrs. John H. Rousselot.

Mrs. Leverett Saltonstall, Mrs. Gordon Scherer, Mrs. Richard D. Schweiker, Mrs. Hugh Scott, Mrs. William W. Scranton, Mrs. Armistead I. Selden, Jr., Mrs. Harry R. Sheppard, Mrs. George E. Shipley, Mrs. Don L. Short, Mrs. Garner E. Shriver, Mrs. Eugene Siler, Mrs. John M. Slack, Jr., Mrs. George Smathers, Mrs. Frank E. Smith, Mrs. Neal Smith, Mrs. William L. Springer, Mrs. Robert T. Stafford, Mrs. Harley O. Staggers, Mrs. Tom Steed, Mrs. Samuel S. Stratton, Mrs. Frank A. Stubblefield, Mrs. Stuart Symington.

Mrs. John Taber, Mrs. Roy A. Taylor, Mrs. Charles M. Teague, Mrs. Olin E. Teague, Mrs. Vernon W. Thompson, Mrs. Thor C. Tollefson, Mrs. Stanley R. Tupper.

Mrs. Charles A. Vanik, Mrs. James E. Van Zandt, Mrs. George M. Wallhauser, Mrs. Phil Weaver, Mrs. Jack Westland, Mrs. Jamie L. Whitten, Mrs. Bob Wilson, Mrs. Jim Wright, Mrs. Ralph Yarborough, Mrs. J. Arthur Younger.

Mr. McGEE. Mr. President, here on the Senate side we have a recess resolution which involves some 33 cosponsors, as well as myself. There have been some misunderstandings about the purpose of the resolution. As one of those who had a hand in initiating the idea, I can say that this is not a go-home resolution. It is a get-to-work proposal. It is designed

to face a simple truth in our legislative life at the present time, namely, that given world conditions as they are and the tensions which surround us, we in this body might just as well face the fact that we shall be in session longer and longer as time passes, and perhaps we should be; and there is no use deluding ourselves with the thought that if we would only work faster in the winter, we would get out by the end of June or, in any case, by the end of July.

This proposal suggests that we should continue as a Congress on a year-round basis, and, as the times and the crises permit, recess from moment to moment. We are asking only that the taking of such a recess be arranged to coincide with the summer vacation schedules of our children, from the public schools and the private schools. As the situation now stands, we are in session until late August or September, throughout the period when our children are out of school; and we return home at the time when our children have to return to school generally here in Washington. If it is possible to integrate the two calendars—that of the Congress and that of the schools—we would like to have that proposal receive some consideration.

However, the burden of the proposal is that the Congress stay in session.

I ask unanimous consent to have printed in the RECORD an editorial entitled "Hot-Weather Revolt," published in the Washington Post of May 13; and also an article, published today in the Washington Post, summarizing a Congressional Quarterly poll on the summer vacation proposition. I would point out that the Congressional Quarterly poll was answered by only 55 percent of the Members of Congress, and that they still have the distaff side of the congressional household to answer to.

We are told that, on the Senate side, there will be a day of hearings on this proposal, relatively soon. The distinguished majority leader has assured us of that, and also that the Senate will have a chance to act on it. We hope it will receive full consideration by the Congress before the summer expires.

Mr. MANSFIELD. Mr. President, will the Senator from Wyoming yield?

Mr. McGEE. I yield.

Mr. MANSFIELD. I assure the distinguished Senator from Wyoming that it is the intention of the chairman of the Rules Committee, to which this proposed legislation has been referred, to hold hearings on the proposal before this session of Congress adjourns.

Mr. McGEE. I am delighted to receive that assurance from the distinguished majority leader.

The PRESIDING OFFICER. Without objection, the editorial and the article submitted by the Senator from Wyoming will be printed in the RECORD.

The editorial and article are as follows:

[From the Washington Post, May 13, 1961]

HOT WEATHER REVOLT

Bachelor SAM RAYBURN's response to the revolt of congressional wives against summers in Washington is not likely to be typical. "It's the greatest nonsense I've ever heard," said Mr. SAM of the proposal for a recess during July, August, and September. "If we come back in the fall we may never get away from here." Well, that is possible. But Mr. SAM, having no wife or children, may not fully sense the pressure that can build up in other households against summer sessions.

As we see it, the question at issue is simply one of serving the convenience of a majority of Congressmen. In the absence of an emergency demanding continuous congressional sessions, a recess taken in July, August, and September would be just as compatible with the public interest as a recess in September, October, November, and December. Indeed, Congress would have a better opportunity to catch up with its work if it took a vacation in the hot months and sat throughout the fall in nonelection years. And this would greatly ease the problem of all legislators with children in school.

Our sympathies are with the housewives. They may have some difficulty in making Mr. SAM understand that what may seem to be nonsense to a bachelor may actually be wisdom to the father—or mother—of a family. But that is no reason to give up their crusade. Meanwhile others may be able to help by pointing out that Congress now has a full-time job which demands its presence in Washington throughout the year—except for a reasonable vacation period and time enough to refresh contacts with constituents.

[From the Washington Post, June 8, 1961]

SUMMER VACATION FOR CONGRESSMEN REJECTED IN POLL BY A COOL MAJORITY

Why can't Congressmen have summer vacation just like everybody else?

A number of Senators and Representatives especially the younger ones with children, have submitted proposals that Congress take a summer recess instead of adjourning when their year's work is through, which usually drags them through the long, hot Washington summer.

Congressional Quarterly polled all Members of Congress on the subject and the majority say they want things to remain as they are.

Of the 294 Members who answered the poll, 175 favored this answer: "I think the present custom of adjourning when congressional work is finished is satisfactory."

A total of 109 Members checked this reply: "I would prefer a summer recess."

Ten Members made alternative suggestions.

The Congressional Reorganization Act of 1946 sets "not later than" July 31 as the adjournment date. But the "national emergency" called at the time of the Korean war in 1950, and still in effect, permits Congress to ignore this date. The average date of adjournment in the last 10 years has been Aug. 30.

To the summer recess suggestion, Speaker SAM RAYBURN, Democrat, Texas, replied at a May 9 press conference: "This is the greatest nonsense I ever heard of. If we recess and come back in the fall we may be here forever."

Many Members favoring the present system commented on the ballots that Congress could easily adjourn by midsummer if it planned its work efficiently and was more diligent about getting it done.

Here are some of the comments made on the poll:

"I quit on August 1 each year anyway"—Representative NOAH M. MASON, Republican, Illinois.

"Congress' work is like women's work—it is never done"—Representative J. ERNEST WHARTON, Republican, New York.

One Member who did not sign his name said: "Great guns. Who wouldn't prefer a nice summer recess? But who in the world gets elected to Congress with the idea it is an institution which can meet and adjourn simply to suit a Congressman's pleasure and preference?"

THE JOHN BIRCH SOCIETY

Mr. McGEE. Mr. President, I submit, for printing in the RECORD, a letter in connection with a question of widespread national interest at the present time; namely, the John Birch Society. The letter was addressed to the editor of the Sacramento, Calif., Bee, and reads as follows:

HOW'S THAT AGAIN?

SIR: I recently came upon the CONGRESSIONAL RECORD, which I understand is an official Government publication. In that publication was a vicious article attacking the John Birch Society. When a magazine can attack a patriotic organization like the John Birch Society that is carrying freedom of the press too far. I think the CONGRESSIONAL RECORD should be investigated and if it is found to be un-American it should be suppressed.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, an article, by Robert S. Allen and Paul Scott, describing how membership in the John Birch Society cost a lobbyist a $35,000 a year job; and I also ask unanimous consent to have printed in the RECORD a bit of literary endeavor by Richard Armour, reprinted from the Nation, and entitled "The Ivan Birchkov Society," as it looks from the other side of the Iron Curtain.

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

MEMBERSHIP IN BIRCH SOCIETY COSTS LOBBYIST $35,000 JOB

(By Robert S. Allen and Paul Scott)

WASHINGTON.—Membership in the John Birch Society is apparently a big handicap in landing a job as a high-salaried Washington lobbyist.

That was the sad experience of an aspirant for a $35,000-a-year-plus prize.

Robert Welch proudly told a nationwide TV audience that the controversial organization he heads is booming in membership and funds. But that proved no help to his ardent follower in getting the juicy lobbying job.

Everything went along smoothly until, at the last moment, it was discovered he belonged to the Birch Society. Whereupon he was dropped like a hot potato, even though arrangements had been made to announce his selection at an elaborate dinner for more than 500, including prominent Members of Congress.

Details of this extraordinary affair that has backstage Washington buzzing are:

The American Retail Federation, representing large department and other stores throughout the country, has long been active on the Washington scene, particularly concerning legislation, such as the wage-hour bill which it opposed. For 12 years its president and chief executive officer was Rowland Jones, Jr., one-time South Dakota druggist.

WHITE HOUSE VISITOR

A Republican with influential southern ties, Jones rated high during the Eisenhower administration. He was welcome at the White House, and during the 1960 election he headed a delegation that assured President Eisenhower all was well with the national economy.

But after President Kennedy took office and Congress enacted his wage-hour bill, the Retail Federation's board of directors, decided the time had come to change their "Washington representation."

Jones was informed he would be sidelined. That is, he would be moved into the background and someone else would replace him as the federation's spokesman (lobbyist).

The directors named a special committee, headed by a Detroit merchant, to recommend this successor. After weighing a number of possibilities, a dynamic official of a manufacturers' association in an eastern border State was proposed.

Following an appearance before the full board, he was unanimously approved and preparations were made to announce his appointment as the federation's new vice president and executive officer. For that purpose it was decided to give a big dinner, which would also serve as a farewell to Jones.

Some 800 invitations were sent out, including every Member of Congress.

But several days before this lavish party, which cost around $15,000, the board was told that its choice not only was a member of the Birch Society, but one of its high officials.

CONTINUES ALLEGIANCE

Summoned before a hurriedly called meeting, he readily admitted this. More than that, he declared he ardently believed in the society's principles and objectives and firmly intended to continue "preaching and working for them."

His candor was appreciated, but his views were not. He was told the federation could not afford to have him as its Washington representative.

That ended that, but not the dinner. It went off on schedule, although few of the large throng were aware of what had happened. Jones was lauded and sent into limbo, and nothing was said about his successor. That just wasn't mentioned, although there was much conjecture among the guests.

Later, Charles Boyd, Detroit, was quietly designated as acting executive officer.

[From the Nation, Apr. 29, 1961]

THE IVAN BIRCHKOV SOCIETY

In Russia today, one of the most exciting developments, we are told,
Is the Ivan Birchkov Society.
It is dedicated to rooting out by whatever route,
As its founder states in the Red Book, the Bible (figuratively) of the organization:
"Capitalists in our midst, who subversively
Have infiltrated our government and our schools
And may even be found on the staffs of our institutes of higher atheism."
It is the personal opinion of the founder,
Privately expressed to a mere handful of a hundred thousand personal friends,
That Lenin was a card-carrying capitalist
And Stalin, the weakling, was a tool of Roosevelt, Stettinius, and Stassen.
As for Khrushchev, he was so dazzled at Camp David
By Eisenhower's personality
That ever since then he has been giving away secrets of the Russian space program
Through coded messages sent to America via Mikoyan and Gromyko,
And these, without doubt, are responsible for the current lag
In the Soviet missile program.
Khrushchev, in fact, has become so dangerous to the State
That he is even now,
Behind drawn blinds in the Kremlin,
Perfecting his putting, against the day of the Capitalist Revolution.
Indeed, he is said to be thinking of doing away with Mrs. Khrushchev
And marrying into the Kennedy family.
There are those in Russia who deplore the irresponsible statements
And questionable methods of the Ivan Birchkov Society,
But, after all, it is anti-capitalist.

—*Richard Armour.*

PRESIDENT KENNEDY'S REPORT TO THE NATION

Mr. McGEE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Post of today and an article written by Walter Lippmann. Both of them bear up on the widely applauded reception accorded President Kennedy's report to the Nation on his trip to Europe. The editorial is the lead editorial from the Washington Post, and in it the impact of Mr. Kennedy's sobering remarks is measured in very careful tones. In the article, Walter Lippmann evaluates in similar sober tones the meaning of President Kennedy's report to the country and the significance of the President's brilliant performance in this connection.

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

[From the Washington Post, June 8, 1961]

WORK TO DO

Mr. Kennedy was at his best in his report to the people Tuesday night. It was a splendid account of his conversations in Europe—stark without being pessimistic and reassuring without being naive. The President's informality and the lack of staging enhanced his earnestness. He was wise to speak candidly of the sobering circumstances of his talks with Mr. Khrushchev, thereby allaying any false suspicions. And he capitalized astutely on the somber setting to make an urgent appeal on behalf of foreign aid.

Some persons have commented that the trip was a step in the education of Mr. Kennedy. No doubt it was. The President scarcely needed education in the basic issues with Mr. Khrushchev, but the experience of personal confrontation was highly desirable. More important, however, was the necessity for a new sounding as the basis for national policy. Not until a new effort was made could the Kennedy administration be sure that the Soviet position was as obdurate as it seemed.

It is indeed a grim proposition that was laid out to the President—war by every other means except direct military conflict. Even the one area of general agreement—a settlement in Laos—seems in serious doubt, possibly because of Chinese and Viet Minh back-pressure on Mr. Khrushchev. But the apparent mutual wish to open channels of communication, to define positions and to illustrate the dangers of overstepping had a certain value. It is as if some of the electricity had been discharged from the storm; the elements are still perilous but the chance of accidental fire has been reduced.

One may hope, at the same time, that Mr. Kennedy did not delude himself about the extent of the unity that exists in the West. His tribute to the greatness of President De Gaulle was necessary and proper; and if the frank discussion of differences has brought greater understanding and agreement on larger purposes, there has been a distinct gain. But there would be no point in hiding the fact that there have been basic differences among the allies on Laos and on Asian policy generally. It would be surprising if there were not similar differences in the approach to other problems.

The counterpart, of course, is that differences among free nations can create greater ultimate strength—with the recognition of common dangers and leadership in developing the means of attaining common objectives. As Mr. Kennedy noted, the exchanges in Vienna demonstrated "how much work we in the free world have to do." Mr. Khrushchev's challenge must be accepted because there is no other course consistent with freedom; and the great need is to shoulder the challenge realistically and confidently without discouragement.

Adequate and effectively administered economic aid is one of this country's and the free world's most useful tools. Mr. Kennedy's plea was the more persuasive because he recognized that not all troubles are Communist-created; that there is no substitute for the will of developing nations to determine their own future. Economic help is not a guarantee of free institutions, but it is indispensable to the flourishing of free institutions in such countries.

The other necessity, in the often difficult choices before the United States, is the recognition that in a revolutionary world the democratically inclined leftish forces are often far better bets than the "safe" but stodgy groups who tell us what we want to hear.

[From the Washington Post, June 8, 1961]

THE PRESIDENT'S REPORT

(By Walter Lippmann)

In talking to the Nation the President tried to do a very difficult thing, which was not so much to tell a story or to give an accounting of facts but to convey a mood. He was sobered, he said, by the somber experience of being made to realize directly the dimensions of the danger which threatens the world.

"Both of us," he said, were in Vienna "because we realized that each nation has the power to inflict enormous damage upon the other, that such a war could and should be avoided, if at all possible, since it would settle no dispute and prove no doctrine, and that care should thus be taken to prevent our conflicting interests from so directly confronting each other that war necessarily ensued."

There the President spoke the quintessential truth which rests on the fact that neither of the two men at Vienna could "dictate a settlement" or "convert the other to a cause" or could "concede" his "basic interests."

The President saw clearly that the crucial issue, the issue to which all others are secondary and subordinate, is not Laos, not nuclear testing and disarmament, not the troika principle, but Germany and Berlin. That is the focal point of the danger of an irreparable war, and the working out of a tolerable and honorable accommodation is the supreme business of statesmanship. This business is difficult and dangerous and it will require moral and intellectual political courage and great perseverence. But I do not believe that the business is impossible.

In fact, we are now at the beginning of diplomatic conversations, which will take a long time, and will engage Washington and Moscow, London, Paris, and Bonn.

It is, I believe, clear enough from the President's broadcast that there was no ultimatum from Mr. Khrushchev on the time and the character of a Berlin settlement, and that there was no counterultimatum from Mr. Kennedy to the effect that the status and future of Berlin are unmentionable subjects of discussion.

In fact Berlin is going to be discussed because it is inconceivable that the democratic peoples of the Western World would fight a suicidal war for the right to refuse to talk about Berlin. "Mr. Khrushchev," said the President, "presented his views in detail." And his presentation will be the subject of further communications.

What is not going to be discussed as a negotiable subject is the right of the two and a half million people of West Berlin "to choose their own future," to be protected in their own self-government and in their physical access, and in their cultural and spiritual contact, with the non-Communist world. What can be discussed, and indeed what should be discussed, is whether better guarantees of these fundamental rights can be negotiated.

They are many who are convinced that nothing better can be negotiated and that any negotiation, any willingness to negotiate, will be regarded as the abandonment of Berlin. There are others, of whom I am one, who think that the existing guarantees of Berlin are fragile and precarious. For the guarantees depend on the willingness of the Western Powers to threaten a world war if West Berlin is interfered with.

That this is a precarious guarantee is shown by two facts. One is that the Berliners and the West Germans come to us about three times a year asking us to declare once again our willingness to fight for Berlin. This repeated demand for renewed declarations reveals their own doubt as to whether such an arrangement is durable for a long period. The second reason why the guarantees are unsatisfactory is that the situation in Berlin provides the Soviet Union with a gadget by which it can divert attention from any other part of the world simply by closing a bridge or losing some papers.

Any negotiation with the Soviet Union is difficult and tedious. But there was bound to be negotiation, or strictly speaking conversation, about the guarantees for Berlin. My view is that instead of acting as if any negotiation is a concession, we should persuade Bonn and Paris to join us in demanding a new, precise, and more durable guarantee for Berlin—a guarantee that will allay the present condition of chronic crisis.

My one criticism of the President's report is that in the light of the grim dimensions of the worldwide Communist challenge, his concluding plea that Congress should pass his foreign aid bill was something of an anticlimax. He should not have told the people that foreign aid, as we now have it, is "a burden." He should have told them that it is a rather meager first installment of what this country will have to do in Latin America, in Asia, and in Africa, to arrest and reverse the expansion of communism. He should have summoned the Nation to expand its resources and devote them to the ideals and objectives we profess.

THE AMERICAN THEATER

Mr. JAVITS. Mr. President, everybody loves the theater, and the question is, Will everybody do something about it? The theater to which I refer is heavily concentrated in my home city of New York, and yet it is really a national facility and a natural cultural expression, because practically everybody in the United States who comes to New York makes as one of his principal entertainments a visit to some of our shows.

The theater is in a grave economic crisis, so much so that the Dramatists Guild the other day—on May 24, to be exact—came forward with a proposal to cut the writers' royalties. The Guild is composed of some of the most costly writing talent in the world. Their purpose was to help the theater.

Congress will have an opportunity to do something about the problem, because an effort is being made to eliminate the 10 percent tax on theater admissions. Also, I, the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. CLARK], the Senator from Rhode Island [Mr. PELL], and Members of the other body, are doing our utmost to interest our country, in one way or another, in backing our cultural expressions like the theater, in terms somewhat analogous to the efforts of the Canadian and British Arts Councils. I very much hope we shall have hearings on all of those measures.

So it is extremely important, as we can and should do something about it, that we understand the crisis. For that purpose I ask unanimous consent that a series of articles in the New York Times, seven similar ones having already been published, be made a part of my remarks and printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

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

[From the New York Times, June 5, 1961]

THEATER VIEWS ITS CRISIS A YEAR AFTER THE BLACKOUT

(By Arthur Gelb)

PRODUCERS

In the year and 3 days since an Actors Equity dispute blacked out Broadway, focusing attention on the economic plight of the theater, there have been many suggestions for salvation but nothing much has been saved—not even face.

Although the Dramatists Guild recently offered to make some concessions on minimum royalties in its new contract, the hoped-for tax relief has not been forthcoming. Production and labor costs have continued to climb, and Broadway is reeling from the most disastrous season—both financially and artistically—it has ever known.

Of the 46 shows this season—a record low—only 6 to 8 are expected to return their investment. This means that at least 83 percent will be failures. An estimated total of $4,500,000 of investors' money will be lost.

By comparison, of the 636 Broadway shows produced in the 12 seasons preceding the current one, 74 percent were financial failures.

There is off-Broadway, of course. Its costs are lower, its audiences much smaller. It produces new writers and revives masters, introduces young performers and takes a chance on novel ideas. However, it is regarded as a supplement to Broadway and not a replacement.

Is Broadway itself doomed? After all these years of ups and downs, are we really in danger of losing it—scalper, theater party, rude box-office attendant, glittering opening night, radiant-heated sidewalks, "My Fair Lady," and all?

Robert Whitehead, president of the League of New York Theaters, led a delegation of producers to City Hall last month to demand immediate revocation of the city admission tax on the ground that any additional financial burden would "bring about the extinction of the living theater as we have known it, perhaps as early as next season."

David Merrick, who was Broadway's most prolific producer this season (four musicals, two plays), echoed Mr. Whitehead's sentiment until his most recent production "Carnival" became a smash box office hit.

He sees a renaissance

He said the other day: "I think Broadway is entering a renaissance. We are on the verge of a boom. The theater is like vintage wine. It has its good years and its bad years and there is no explanation why. From the advance smell of things, I predict that next season will be a healthy theater year."

So the answer, as it often is on the Rialto, is absolutely yes—definitely no.

These divergent views illustrate graphically why it is difficult to ferret out the truth about Broadway's economic condition. The highly competitive, manic-depressive, anarchistic nature of the business has made producers reluctant to pool financial data.

Enough samplings have been made available by individual producers, however, to attempt a diagnosis of Broadway's malaise.

One thing is certain: The theater has always been founded on economic lunacy. It flouts every law of good sense.

Perhaps the best illustration of this is that a humdrum play like "The World of Suzie Wong" can make a net profit of close to $400,000 while a Pulitzer Prize and Critics Award play like "All the Way Home" can't make a nickel.

Another example is that a sleeper like "Oklahoma," after raising its $80,000 production budget in 1943 with enormous difficulty, has since distributed $35 for every $1 invested. ("Life With Father" probably holds the record for profit distribution—$66 for every $1 invested.)

The record of "Oklahoma"

There is, however, no question that Broadway is in the midst of nonlunatic financial difficulties, which have worsened in the year since the Actors Equity dispute shut all the Broadway theaters for 10 days.

Television and the movies, especially adult foreign films, have hurt. The off-Broadway boom has siphoned off a good percentage of the young theater audience.

Production and operating costs have risen out of proportion to the rise in ticket prices. The exact ratio is not known, but many producers and general managers have been able to prove that costs on their productions have risen four to five times since World War II, while ticket prices have only a little more than doubled.

Producers who have studied the whole picture maintain that the main threat to Broadway is rising costs within the industry and inefficient and sometimes unethical practices in the ranks of the producers themselves.

Inside costs cited

They report sloppy management, cutthroat competition for new properties, kickbacks, lack of artistic imagination in producing a show with inexpensive scenery and costumes, "featherbedding" by stagehands and musicians, and lack of a strong, united lobby to fight against the city's 5 percent admission tax and the Federal Government's 10 percent tax.

Despite these liabilities for investors, the fact is that Broadway can still be a pretty good place for a business gamble—especially in the case of musicals—if the investor bets his money consistently on a clever, experienced and lucky producer.

Howard S. Cullman, honorary chairman of the Port of New York Authority and president of Cullman Bros., an investment concern, has earned, in partnership with his wife, about $2 million in profit on 300 productions since 1938.

Arthur Cantor, who was a coproducer of "The 10th Man" and "All the Way Home," has invested in 41 shows since the 1957 season, of which 25 have been hits. He estimates that when the final accounting is in, he will have a 50 percent profit on his investment of $103,000.

Some of the better returns have come from David Merrick productions and presentations by Robert E. Griffith and Harold S. Prince.

Mr. Griffith and Mr. Prince, who produced "The Pajama Game" with Frederick Brisson, so far have paid their investors 342.5 percent profit on this musical. On "Damn Yankee" they have paid 200 percent; "New Girl in Town," 24.08 percent; on "West Side Story," 140 percent; on "Fiorello," 50 percent.

Where the money goes

To understand the economic structure of a production, it is necessary to see how the grosses and profits are distributed. Producers point out that in any other business the cost of operation is deducted from gross sales to determine the net profit. But in a theatrical venture there are as many as five persons to whom a percentage of the gross is distributed before any profit can be reckoned.

The theater owner usually gets 30 percent as his rental up to a certain negotiated gross and usually 25 percent above it.

An established author and star usually receive 10 percent each.

The director usually gets 3 percent and the producer often gets 1 percent.

When the percentages for a specific production have been fixed the accountant and the general manager work out for the producer what is called a break-even point—the amount needed to operate the production without profit on a weekly basis.

Take a hypothetical play capitalized at the prevailing price of $150,000. It needs to take in $25,000 a week to break even.

Assuming it succeeds in selling $25,000 worth of tickets, the theater owner takes 30 percent of the gross up to $20,000 and 25 percent of the remaining $5,000, totaling $7,250; the star and author take $2,500 each; the director, $750, and the producer, $250. This comes to $13,500, but $11,750 in fixed operating expenses (expenses that do not fluctuate with the gross, such as salaries, advertising, and the producer's office expense of $300 a week) bring the total to $25,000.

If the hypothetical play is a sellout, the capacity gross in its theater is $42,000 a week. This is likely to be distributed as follows: The theater owner's share is $11,500; the star gets $4,200; the author, $4,200; the director, $1,260, and the producer, $420. The total percentages thus distributed come to $21,580. This figure, added to the fixed costs of $11,750, equals $33,330. When this total is deducted from the $42,000 gross the balance is the net profit of $8,670.

Pays off in 18 weeks

This profit goes to pay back the investors. If the play draws capacity audiences it will pay off its $150,000 investment in 18 weeks. If it continues at capacity after paying off—and only then—the producer begins to collect big money. The $8,670 profit is now split by the investors and the producer.

Thus under ideal, hit-play circumstances, the producer eventually can earn $4,335 a week plus $420, or $4,755. In today's theater, however, he is often obliged to share his profits with a writer, star, or director who will not work for just a salary and a percentage of the gross. Some producers, in fact, give up half or even more of their profits in this manner.

This is not to say producers do not become rich men if they have a smash hit and take advantage of capital gains tax rates.

Herman Levin, for example, sold 23.5 percent of his 30 percent producer's interest in "My Fair Lady" for $450,000. He paid a 25 percent capital gains tax of $112,500, leaving him a total of $337,500.

But the sort of profit Mr. Levin has drawn from his musical is rarely to be made with a straight play anymore. The producers believe Broadway is on its way to becoming a musical theater. Musicals run longer even if they receive lukewarm reviews.

Mr. Griffith and Mr. Prince, who have done extremely well in the musical field, are leery of doing straight plays. Their play "A Call on Kuprin" was capitalized at $150,000 but by the time it reached Broadway last month the cost was $175,000. The play closed Saturday.

"This is the kind of big-scale play that has become virtually prohibitive to do on Broadway anymore," Mr. Griffith said. "Ticket prices for such a play must be lower than musical prices, even when the production cost (in this case there were eight sets) is almost the same as for a musical."

The league believes most of the problems can be solved by eliminating the city and Federal taxes.

Mr. Cantor, for example, described how the elimination of the taxes plus the already waived percentages could put "All the Way Home" in the black.

The play was capitalized at $150,000 but was brought to New York for only $106,000, leaving a capital balance of $44,000. Statistics available for the first 22 weeks of the play's run show that income from the sale of tickets totaled $427,900. With admission taxes deducted, the total income was $380,775. The expenditures for the period totaled $405,450, leaving an operating loss of $24,675.

Taxes were $47,125

Mr. Cantor stressed that the taxes during this period amounted to $47,125, enough to have offset the operating loss and pay back a part of the production cost.

Most producers also grudgingly concede that a thorough house cleaning on their part would help revive the theater. Some of them are attempting a cleanup.

The experts in this field appear to be Mr. Griffith and Mr. Prince, both former stage managers.

In an era when most musicals are produced at $300,000 to $500,000, they have never spent more than $260,000.

Show designed early

"We try to have the show designed early enough so that we can give the costume and scene building companies 6 months for the jobs," Mr. Griffith said. "In this way, we eliminate costly overtime payments."

Saga of the shoes

Not much gets past their eagle eyes. When a bill arrived for $28 for each pair of shoes for the women in the "Damn Yankees" cast, Mr. Prince examined the shoes, peeled off the shipper's label on the instep of one pair and discovered the label of a mass-producer of shoes beneath. A check with the manufacturer confirmed Mr. Prince's suspicion that it was an inexpensive shoe—$6.90 a pair—and $6.90 a pair was what the shipper got.

Kermit Bloomgarden believes that a change in the philosophy of stage design could be a major cost-cutting factor.

"In the last few years," he said, "there has been a growing tendency to use heavier sets for the sake of realism. Many of our designers are not keeping up with the times. They should all be going in for lighter scenery, with more emphasis on lighting. The sets for 'Toys in the Attic' could have cost $17,500 to build if Howard Bay had designed a realistic interior; instead, he came up with a living room without walls or ceiling and it cost only $10,000."

Mr. Merrick, who has often produced on a lavish scale, said he learned an important lesson this season. Last December he brought in the musical, "Do Re Mi" for $480,000. Four months later he brought in "Carnival" for $200,000.

"There is too much overproduction," he said. "I've been guilty of it myself. But I now realize that ultimately it's the words and music that count and not the sets. 'Do Re Mi' was so expensive that I got furious. The whole thing got out of hand. I, too, generously gave everyone what they wanted.

"When I started on 'Carnival' I was determined to hold costs down. I treated it as though we were all starving and didn't have a dollar to spend. We got a young designer, Will Armstrong, who took the set order to a small company that charged less than the bigger companies.

"I could have raised $400,000 to do the show, but I knew Griffith and Prince have regularly shown it could be done for half. I think my tendency in the past has been to spoil the baby, sometimes to the detriment of the project. From now on I intend to do everything with lighter sets."

Lawrence Langer said that in the future producers should decentralize to build scenery and make costumes.

"New York has become highly inflated for this work," he said. "Existing centers out of town should be used and new ones should be created. We used a union shop in Palm Beach to build the sets for the three plays now touring for the State Department abroad. The total cost was $45,000. If they had been constructed here, the cost would have been at least doubled."

Other costs found

A number of producers agree that they also must keep a frugal eye on other costs.

The first is advertising. Mr. Cantor, who is head of the League of New York Theaters' advertising committee, maintains that the cost of theatrical advertising has increased "so enormously over the past two decades that even the cost of listing the barest essentials of information in the theatrical directory is over $600 a week for the average show in just seven daily newspapers."

Next is the kickback. This practice is not believed to be prevalent, but many producers admit that it is practiced from time to time. The producer arranges with suppliers to bill him, say, $20,000 for work that can be done for $15,000. The producer sends a check for $20,000 (which becomes a part of the production cost) and the supplier then returns the $5,000 in cash, which the producer (or his manager) pockets.

One item that no producer seems to plan to do anything about is the competition among producers themselves. With few good scripts available, the competitive bidding for the likely ones has skyrocketed. A number of the producers single out Mr. Merrick as the man who started the costly tug of war over promising properties.

Particularly bitter is Alexander H. Cohen, who maintains that he will barely be able to break even on his new property because of Mr. Merrick's bidding against him. Mr. Cohen, producer of "An Evening With Mike Nichols and Elaine May," said he had been negotiating for a revue called "Beyond the Fringe" for 3 months before it recently opened to rave notices in London.

His profit is reduced

"I was just about to close the deal, which was a fair one for all concerned," he said, "when the production's agent informed me that Merrick had offered to top any price I would pay. I retaliated by offering to top his price. The price continued to go up and Merrick finally dropped out. But I am now left with a property on which I will make substantially less than I'm entitled to."

Mr. Bloomgarden said that Mr. Merrick had offered Lillian Hellman a high percentage for "Toys in the Attic" but that she had declined it. (Miss Hellman says she was al-

ready committed to Mr. Bloomgarden for a high percentage.)

"Up to 4 or 5 years ago," Mr. Bloomgarden said, "a producer never fought like this to get a play—certainly not in terms of 'I'll pay more than he will.' The producer may have told the author that he might do a better artistic job.

"It's very easy to go out and pay a lot for a script and get two or three stars and not pay off the investors. What's difficult is to do a play properly and not give everything away in percentages. I will not do a play unless I can keep at least 25 percent of the producer's share. Merrick is willing to keep as little as 12.5 percent."

Sitting in his office on West 44th Street—where he oversees his four current productions—Mr. Merrick said, "I know that venom is now hip deep on 44th Street. Last year it was only ankle deep. They're angry—the other producers—because I do a lot and have been successful."

THEATER OWNERS

(By Lewis Funke)

Whenever a Broadway theater owner or operator wishes to stress the riskiness of his business he explains that it is just about impossible to finance the construction of new theaters here by a regular bank mortgage.

Although building construction has enjoyed a tremendous boom since the war, not a single theater building has gone up in Manhattan. The last existing playhouse to rise here was the Ethel Barrymore. Built for approximately $1 million, it would cost about 2½ times that sum to replace today. The first production at the Barrymore was in 1928.

This illustrates part of the riskiness of the Broadway theater in general, the part that pinches the operators first.

Meanwhile, the theater's physical plant has diminished from an average of 54 houses in the period from 1931 to 1940, to 37 from 1941–50, to 31 in 1951–60. There were 66 theaters in New York in 1931; there now are 33.

Today 18 theaters are owned by the Shubert organization, headed by J. J. Shubert. They are the Ambassador, Barrymore, Belasco, Booth, Broadway, Broadhurst, Cort, Lyceum, Music Box (with Irving Berlin), Majestic, Golden, Royale, Plymouth, Imperial, Shubert, Winter Garden, 54th Street, and Longacre.

Lotito operates four

The City Investing Co., through City Playhouses, Inc., headed by Louis Lotito, operates four: the Martin Beck, Morosco, Helen Hayes, and ANTA.

Lester Osterman controls the Eugene O'Neill and 46th Street; Billy Rose controls the Billy Rose; the Castle Bros. (Irving and Steven) along with Vincent Cerow, control the Playhouse; Cy Feuer and Ernest Martin, the Lunt-Fontanne; the Stahls, father and son, the Mark Hellinger and the Alvin; Michael Myerberg, the Brooks Atkinson; the Jujamcyn Corp., the St. James; Gilbert Miller, Henry Miller's; and Herman Bernstein, the Hudson.

Theater owners figure that over a 5-year period they should be able to realize a 4 or 5 percent return, which is what they would get if the money were in bonds. They do not apologize for being businessmen nor do they see how they can be otherwise, being ruled by the law of supply and demand.

They are stagestruck

Yet while they yearn for the stability of Government bonds and blue chip securities, they also confess they are stagestruck. They also are quick to admit that they enjoy the gamble that is inherent in their daily activity.

Nor does anyone deny that a winner—the smash hit—provides financial rewards in fantastic degree.

Obviously, the most advantageous position in the business is occupied by the Shubert organization. The Shuberts, operating theaters for almost half a century, now own all their properties free and clear.

Most of their competitors, however, still have mortgages. Some are rather recent—like those on the O'Neill and the Forty-sixth Street. The Martin Beck Theater, owned by the Martin Beck Corp., is mortgage-free. However, it is operated by City Playhouses, Inc., which is obligated to pay an annual rental of $85,000.

Regardless of the Shubert position, a standard set of terms does prevail. When a producer seeks a house he knows that the accepted starting point will be 70-30, that is, 70 percent of the gross receipts (not including Federal and local admission taxes) for his production, 30 percent to the theater owner.

If the producer has a star, he is likely to arrive at a deal whereby the house will agree to take 30 percent of the first $20,000 and 25 percent of everything over that figure. Should the producer have a star with great theater-party potential, he is likely to be able to negotiate a straight 75-25 deal, usually with a stipulation that these percentages operate when a specified weekly gross is achieved.

He shares in expenses

Since the theater operator in a sense regards himself as the producer's partner—he has read the script and thinks it has a chance—he shares in expenses, usually in proportion to the percentages in the basic deal. He might provide 30 percent of advertising budget up to a specific figure; he might share in paying stagehands beyond those he normally provides; in the cost of musicians beyond the normal number, and he also is likely to participate in the cost of the number of man-hours required to bring a show to his theater or take it out.

How much the producer can wring from the theater operator (extra stagehands or an extra musician) will depend upon assorted factors.

How much the theater owner wants a show enters into his figuring; as does the producer's record for pushing his shows and keeping costs down. How steady a customer the producer is also affects a deal. So does the time of year.

Let us look now at a weekly statement for a hypothetical one-set straight play in a small theater, as prepared by John Shubert, son of J. J. Shubert:

One house manager, $181.92; one treasurer, $130; two assistant treasurers, $220; one mail clerk, $60; one main doorman, $58; two stage doormen, $128; ten ushers, $343.20; one matron, $46.61; two porters, $143.74; four cleaners, $192.89; one head carpenter, $160.18; one head property man, $160.18; one head electrician, $160.18; and one curtain man, $132.08.

His general expenses

The Shubert statement also lists under general expenses a total of $594.83 a week. This sum is paid for stationery, $4.50; electricity, $93; steam, $50; tickets, $60; porter supplies, $22; telephone, $16; hardware, etc., $13; rubbish carting, $10; water filter, $3; time clock system, $9; lamps, $6; exterminator, $2; and miscellaneous, $59. Also, payroll tax (1 percent of $2,116.98), $190.53; business tax (0.004 percent on a $17,000 gross), $6.80; Actors Equity Pension Fund (1 percent of the acting company's $5,000 salaries), $50.

In addition, funds have to be allocated to provide vacations for those on the house staff at the rate of two-fiftieths of the theater's weekly payroll each week.

For weekly newspaper advertising there would be the theater's 30 percent share of $1,300 and $191 toward outdoor advertising costs.

The theater operator's share of $4,000 for preliminary advertising for the play, amortized over a 10-week period, comes to $400.

In addition, there are the city real estate tax, insurance charges, press representative, water tax, permit fees and license charges (a sign permit from the city, a marquee permit and an air-conditioning permit among others), also $50 dues to the League of New York Theater when the house is lit.

$5,100 guarantee needed

Thus, the Shuberts require an average guarantee of $5,100 weekly to meet costs on a nonmusical in a small theater.

Every contract between a theater operator and a producer contains a "stop clause." Should the gross receipts for a given period fall below a certain figure, the theater owner has the right to close the show.

The stop clause is often requested by the producer for his protection, since at a certain point it usually is no longer profitable for him to operate. The stop clause in many cases is left open until after the show's opening when the producer can better gage his weekly costs.

Let us look at what can happen to a theater operator should he be shrewed enough and lucky enough to draw a smash hit, one that will play at least a year to capacity.

Suppose the theater is the Martin Beck, and the attraction is a musical. The Martin Beck has a seating capacity of 1,280—666 seats in the orchestra, 142 mezzanine, 448 balcony, and 24 boxes. The scale for the theater's present tenant, "The Happiest Girl in the World," ranges from $4.05 to $8.60 for evening performances, Monday through Thursday, Friday and Saturday evenings the range is $4.60 to $9.60; Wednesday matinees, $2.30 to $5; Saturday matinees, $2.90 to $5.75.

Thus the Martin Beck could gross, at capacity, $62,000 a week.

The deal with the producer is 70–30 on the first $20,000 and 75–25 after that, giving the house at capacity $16,500 as its share. The way the Martin Beck statement is set up, including the $2,000 weekly rental, computed on the trade's practice of assuming a theater is open 40 or 42 weeks a year, the theater needs approximately $12,000 for its break-even figure. Hence, at capacity, it would enjoy a weekly net profit of $4,500, which for 52 weeks would clear $234,000 for City Playhouses, Inc.

Has never hit figure

"The Happiest Girl in the World" needs a gross of $44,000 a week for the Martin Beck to receive the $12,000 it needs to cover operating expenses and rental. The production has not hit that figure, the best it did being $43,618.02 the week of April 22.

Fifty-two-week capacity hits are, of course, infrequent. This season's continuing entrants have not yet run the course. Of the 46 productions this season less than half a dozen promise bonanza returns.

Most theater operators are joyous when they entertain just nice plain hits of which the average ratio is one in four or five. They are even content on occasion with productions that manage to hang around, pay general operating costs including rent, leaving a modest profit on the books. Better a lit house than a dark one.

Dark theaters, too, have basic costs. The Martin Beck, including the $2,000 it requires for rent, needs about $800 more for maintenance weekly.

The drama of the O'Neill

What a beating a theater operator can take is illustrated by what happened to the Eugene O'Neill in the 1959–60 season.

The season opened hopefully with the Phoenix Theater's "The Great God Brown," which managed to hang on for 4 weeks. Then Mr. Osterman, as producer, confidently opened William Inge's "A Loss of Roses," which turned out to be Mr. Inge's first box-office failure. It ran 4 weeks.

Subsequently, "A Distant Bell" lasted a week, as did "Cool World," another production by Mr. Osterman. "A Second String" did better—3 weeks.

Altogether, the O'Neill was open 13 weeks earning $49,052.44. Subtract this from the total expenses of $163,365.33 and you find the O'Neill a $114,312.89 loser for the period.

Mr. Osterman is looking for a smash hit for the O'Neill and if in 5 years he doesn't get one he will be nowhere in sight of that 4 or 5 percent.

He may, however, be lucky enough to have happen to him what happened to the Castles and the Playhouse.

The Castles purchased the Playhouse from Ben Marden in 1956. Mr. Marden had not been an especially lucky picker of plays. Mr. Cerow recalled that after nothing but failures in 1956 and 1957, the Castles put additional funds into their investment. In 1958, however, "Blue Denim" came along and then "Make a Million." Neither of these were worldbeaters. But they helped the Playhouse break even more or less.

With the opening of "The Miracle Worker" in 1960 the Playhouse hit the jackpot and now, after 6 years, is a more comfortable venture.

The Playhouse also represents prospects for smaller theaters.

Consider its small capacity. With its 994 seats, the theater is scaled for its present tenant, "The Miracle Worker," so that it can gross $37,000 a week. High budget shows with big stars would not find that figure practical. This is hardly a favorable situation considering the paucity of productions. Mr. Cerow said that the 46 plays this year represented the "absolute minimum beyond which there is little chance for survival for a small theater."

Space for cars, not plays

Mr. Cerow cited a sad indicative fact: When the Castles bought the Playhouse they also bought the land a few hundred feet west where there now is a parking lot. At the time of purchase the theater was worth 175 percent of the value of the parking lot. Today it is worth 125 percent. Mr. Cerow said that if land on West 48th Street appreciated in the next 5 years as it has in the last 5, the parking lot land could be worth more than the land with the theater on it. Only love of the theater would then keep the Playhouse alive.

All of which indicates some of the advantages enjoyed by the Shuberts.

Although the bookkeeping for the Shubert houses varies, the source to which all moneys flow is the same. Hence, it is justifiable to assume that a smash hit like "Carnival" in the Imperial will help offset not only any earlier troubles at the Imperial, but also any debacle in another Shubert house.

The Shuberts also profit by being able to make purchases in volume. And they have maneuverability.

Aid not unusual

Aid to producers in difficulties is not unusual. When early in the 1960–61 season it was evident that Leo Kerz was having trouble getting funds for "Rhinoceros," the Shuberts, who had given him the Longacre, stepped in.

"We figured," John Shubert said, "that this looked like a good bet. We found Mr. Kerz a reasonable fellow and so we guaranteed his costume bill, also his advertising bill. Altogether, I think we guaranteed about $26,000. We figured this show would run long enough for us to get our money back from the first funds that could be spared by Mr. Kerz during the early weeks of the run."

The most dramatic aid this season was rendered to "All the Way Home," when figuratively, John Shubert "tore up the contract."

The terms were conventional 70–30 up to $20,000 and 75–25 thereafter, with the guarantee at $5,000. From the time the show opened until the week ending May 13—24 weeks—the Belasco received the guarantee or more for 14 weeks. During the others the Shuberts took less, one week as little as $3,512.94.

In show business as in politics, altruism and self-interest often go hand in hand. Nevertheless, the salient point for the theater owner and operator as well as for everyone else in the theater is the need for more productivity. More productivity would bring greater employment to actors, musicians, stagehands and everyone else in the industry, as well as greater surety for the men who own the theaters. The big question to be resolved is how.

[From the New York Times, June 6, 1961]

SHOWMEN CRY "FEATHERBEDDING" BUT THEATER UNIONS DISAGREE

(By A. H. Raskin)

"You've got to holler and howl in your most unladylike voice, 'Unfair!'" This is the advice the youthful La Guardia gives the striking employees at the nifty shirtwaist factory in the first act of "Fiorello!"

His maxim has become the guidepost of labor-management relations on Broadway these days, but with a reverse twist: It is the employers, not the unionized theatrical crafts, who are doing most of the hollering.

Producers, convinced that a leaner diet for all elements in the theater represents a cure for its financial infirmities, hope that the unions of stagehands, musicians, and other workers on both sides of the footlights will accept a touch of austerity in their work rules and manning requirements.

However, little of this clamor for less onerous union rules is aimed at Actors Equity, the pivotal group in the 10-day blackout that punctuated four decades of labor peace on Broadway a year ago.

True, the producers want the stars, all of whom hold Equity cards, to take a less lofty place in the economic firmament, but complaints are rare that the rank-and-file actor or his union encrusts theatrical budgets with ill-justified exactions or balks at sharing the misery when a show gets into trouble. Most of the management grumbling is over charges of "featherbedding" or "nuisance" requirements by other Broadway unions.

Thus far the prospects for any voluntary surrender of labor practices built up over 75 years seem little brighter than they proved to be in the steel industry, where the companies' efforts to wipe out rules they regarded as brakes on economical operation touched off a 116-day strike 2 years ago. The workers went back to their jobs with nothing changed on the rules front.

The response of theatrical-union leaders, when the finger is pointed at their organizations as citadels of featherbedding, can most decorously be paraphrased in the single word "hogwash."

The two groups most often accused of loading payrolls with unneeded manpower—the stagehands and the musicians—insist that they have leaned over backward to cooperate in holding down costs and that they could not make concessions now without depriving their members of essential safeguards.

The producers acknowledge that the unions have made a substantial contribution to preserving the theater by their vigor in suppressing wildcat strikes and in mobilizing to seek the abolition of special tax burdens.

They acknowledge, too, that many abuses are the fault of producers whose eagerness to avoid union trouble has caused them to give in too readily, thus saddling the industry with unshakable precedents.

FEARS ARE WIDESPREAD

But this recognition does not abate the fear widespread, though far from universal, among producers that the theater may eventually bleed to death through a pile-up of extra charges resulting from the unions' refusal to allow producers the flexibility they feel they ought to have. The producers cite rigidity on stage crews, the designation of men with nominal skills as key technicians entitled to premium pay and the enforcement of standby mandates for the payment of wages for work never performed by men who, in many cases, are never even there.

To observers steeped in the labor-management traditions of more orthodox industries, everything about Broadway's labor side is likely to seem as bizarre as a play by Ionesco or Jean-Paul Sartre. Even the satellite world of off-Broadway, which this series does not deal with, offers no parallel.

To achieve a particular effect, designers may lay out a scene in such a way that a half dozen extra stagehands are required for as little as 10 seconds in an entire performance. The bill for their services will come to more than $700 a week for less than a minute and a half of actual work time, and yet the director and producer feel the expense will be worth while to create a desired mood.

It is assignments of such brevity, ordered by the employer to enhance the quality of his production, that make it hard to differentiate between what is featherbedding and what is the flowering of the creative spirit.

THE LONG PARADE

Take "An Evening with Mike Nichols and Elaine May" at the Golden Theater. The show has 2 performers, 15 stagehands. This stirs memories of the parade of 11 carpenters, electricians, property men, and grips Victor Borge used to call out for a bow at the final curtain of his one-man show of comedy and piano improvisations in 1953 to 1956. The procession of unionists never failed to send the audience home chuckling but also vaguely disquieted.

Alexander H. Cohen, producer of the Nichols and May show, sees nothing either funny or excessive about his 15-man stage crew. He says he considers every man necessary from the standpoint of artistic integrity. This conviction is not undermined by his acknowledgment that eight men could readily have been dropped if the settings had been laid out differently.

His conception called for a pull-across curtain, with a smaller curtain attached, to isolate parts of the stage for small-focus scenes. He believed the scenes would have a heightened dramatic impact because of the interplay of the two drapes. This required four extra men and a supervisor at a cost of $753.32 a week.

Unfazed by this outlay, Mr. Cohen insisted on two special spotlights to beam on the stars' faces. This added $357.08 to the labor bill. An extra prop man at $132.08 rounded out the reinforcements that Mr. Cohen deemed desirable for the basic crew.

FOUR MUSICIANS, TOO

As a further contribution to togetherness, four musicians occupy the orchestra pit at the Golden. Again Mr. Cohen is perfectly content with the arrangement. He is sure the evening would drag without the music the four men provide, and he has no regrets about paying them $770.71 a week.

He was somewhat less cheerful a year earlier when he put on another show in the same theater, and found himself obliged to pay $877.50 a week for four musicians he could not use. The stars then were the British comedians Michael Flanders and Donald Swann, in "At the Drop of a Hat." A basic ingredient of its chatty format was the interpolation of songs, with Mr. Swann pounding away at the piano.

There was no practical way to use the four musicians so Mr. Cohen instructed them to stay home. Each week for the 32 weeks of the show's run they drew their $877.50 without ever playing a note. The most ironic aspect was that the invisible, inaudible musicians were being paid for not giving eight performances a week, even though the show was giving only seven performances, one under the usual union standard.

However, the only time Mr. Cohen felt justified in registering a protest was when he was asked to pay the quartet for pre-Easter week, when the show was closed. It took a little arguing, but Local 802 of the American Federation of Musicians went along with his protest and waived the payment.

Far from being irate over the whole episode, Mr. Cohen found a silver lining.

"On the surface," he said, "this would appear to be featherbedding but, facing reality, in a way it's not. After all, the League of New York Theaters has negotiated a contract with local 802. One of the things to which we agreed was that when we had an attraction needing music, we would have a certain minimum number of men.

"Actually, the union could have insisted on classifying the Flanders-Swann show as a musical revue and held us to employing 12 more men. The fact that they didn't is a sign of their basic reasonableness. In general, the whole question of so-called featherbedding in the theater is vastly exaggerated, just as the financial plight of the theater is exaggerated."

Mr. Cohen's basic conviction is that the producers have no right to groan when the union asks them to live up to contracts containing rules for hiring musicians, whether they are used or not. He feels this is an issue to be fought out in negotiations if the employers really consider the rules arbitrary.

His own view is that a good many of the conditions that appear illogical to outsiders are not so silly when Broadway's special circumstances are understood. He notes that when the Flanders-Swann team went on the road the regulations in effect elsewhere specified as many as 11 musicians in some cities and none in others.

SOME FOUND IRKSOME

Those less resigned than Mr. Cohen to paying musicians for not playing find several union rules particularly irksome. One is local 802's requirement that where recorded music is an integral part of a play's development, four standby musicians must be hired. Another is that certain theaters are contractually obliged to employ at least four musicians whenever they are lit, even though the play has no music of any kind.

This requirement stems from a dual pay system. At the beginning of each season, the owners of Broadway's 33 theaters notify local 802 whether they want to operate their houses on a contract or penalty basis. The contract houses commit themselves to employ four musicians whenever they have a show; the noncontract houses pay musicians only when the rules governing the show require them.

The advantage for the contract houses is that their musicians' pay scale is $170 a week for a musical comedy and $119.50 for a drama; the noncontract houses have to pay $213.20 for a musical and $159.90 for a drama.

Since the union demands that a musical employ a minimum of 26 men in a house with more than 1,100 seats and 16 in one with 1,000 to 1,099 seats, booking a revue or comedy into a contract house can cut the music bill by upward of $1,000 a week.

WORKS THE OTHER WAY

The rub comes when a show that needs no musicians finds it has no place to go except a contract house.

Thus Leland Hayward found himself compelled to carry four standby musicians for the 3-year run of "Mister Roberts." It had been booked into the Alvin, which was a contract house the year of the opening, and the theater was not allowed to exercise its annual option of shifting its category because it had a continuing attraction. The instrumentalists never showed up at the theater, got their checks by mail, and qualified for union vacation benefits.

Another irritant to many producers is that every time musicians are hired, one of them must function as the contractor. This means that he gets 50 percent above the union scale, in return for which he acts as hiring agent and liaison man in relations between the show, the musicians, and the union.

Often the producers, unwilling to entrust the choice of men to a regular house contractor, pay another musician of their own selection $85 or $90 a week extra to do the actual hiring.

The contractor gets the premium even when he is one of the four unwanted men in a combination that does no playing. If a show has only one musician for incidental off-stage music, he must be paid 50 percent extra for serving as his own contractor. When Julie Harris starred in "Little Moon of Alban," the flutist hired to blow a few notes from the wings at each performance got $120 a week on top of his regular $240.

FEW WORK ON BROADWAY

Oppressive as some of these conditions may appear, two factors keep them from becoming too crushing a burden. One is that, for all the reports of unneeded men, there are relatively few musicians employed on Broadway. The other is that the executive board of local 802 does everything it can, short of being impeached by its own jobless members, to minimize the load of extra charges.

Even those who cry featherbedding loudest are prompt to concede that the music bill would be much higher if the union held every producer to the letter of its contract with the theater league.

Only 309 of the local's 29,000 members now hold jobs in the legitimate theater, and most of these are in a half dozen high-budget musical comedies. Despite the fact that the decline of live music has made unemployment a way of life for a big chunk of its membership, the union encourages producers to drop recorded music and thus avoid the need to hire standbys.

The original script for Sunrise at Campobello called for a taped version of the "Sidewalks of New York" in a scene depicting a political rally at Madison Square Garden. After a conference with the union, a record containing cheers and applause was substituted and the local scrapped its demand that four musicians be put on the payroll.

"We were perfectly agreeable to the change," Al Manuti, the local's stocky, voluble president, said. "We don't like this standby business. We beg them to take out the recorded music or to use the men they pay for. We don't want people to be paid for nothing."

BETTER SHOWS ASKED

In an interview the day after the Dramatists Guild had offered to take a cut in the playwright's share of the gross, Mr. Manuti made it plain that he did not believe any parallel moves toward belt tightening could rightfully be expected of his members.

"We have often made concessions to keep shows running, but we don't feel more concessions are the answer to the theater's problems," he said. "The answer lies in better shows, bigger and more modern theaters, and the elimination of discriminatory amusement taxes."

Warming to his theme, he asserted that overall labor costs were no handicap when a show was good and that no amount of sacrifice by the unions could save it when it was bad. He said that some producers would like to do a musical with two pianos and that there would soon be no union if local 802 gave in to requests of that kind.

On the other hand, he noted, he had just come from an executive board meeting at which "the Billy Barnes people" had been authorized to cut in half a complement of 16 musicians the union could have required when the revue goes into the Royale next week. The reduction to eight musicians was sanctioned after Mr. Barnes had told the board that he would have only eight performers in his show.

"If the theater dies, we die with it," Mr. Manuti said. "We are not going to cut off our nose to spite our face, but we can't reduce our salaries and we certainly expect the employers to abide by the commitments they made in the 3-year contract we signed just last September."

HELP TO THEATER CITED

An equally frosty view of any likelihood of backtracking by labor is taken by Solly Pernick, head of the city's 1,500 unionized stagehands. The president of Theatrical Protective Union, Local 1, of the International Alliance of Theatrical Stage Employees said that his organization had done all it could to help the theater—and then some.

His air of injury at suggestions that the high cost of stagehands was compounding the theater's woes was sharpened by the fact that local 1 is negotiating for a new contract with the League of New York Theaters. It is seeking wage, welfare, and pension gains that would entail a package increase of 20 percent after the present 3-year pact runs out July 31.

Mr. Pernick's desk overflows with tributes from show-business luminaries to the union's work in lobbying for repeal of theater taxes and shunning strikes through all its 75 years. Virtually all the producers were the local's guests at a dinner celebrating its diamond jubilee May 14, and many took full-page ads at $300 in its souvenir journal to extend their best wishes.

Despite all this praise, the men who put on shows have a long list of private grievances against practices in local 1. Few of the complaints are major, but cumulatively they may increase production costs by several hundred dollars a week.

Typical is the charge that business agents are often adamant in demanding that a man who turns a winch or pulls a switch be classified as a keyman, rather than as an ordinary extra hand. The change in title makes his weekly pay $132.08 instead of $105.80.

The producers say that the "yellow card," established at out-of-town tryouts to determine how many men will be needed to take a show into New York and run it, is often inflated. There seems to be general agreement however, that this is more often a matter of inadequate vigilance by the producer than of union intransigence.

"I tell them to go jump in the lake when they try to stick me with too many men," Herman Bernstein, Mr. Hayward's general manager, said. He is one of Broadway's most seasoned experts in mounting a show. Victor Samrock, general manager for Roger

L. Stevens, is no less emphatic in saying that the producers who get hurt are usually those who are negligent in determining their needs and then resisting any overload.

HE HELD HIS LINE

Kermit Bloomgarden discovered the benefit of standing up against overexuberant business agents when he was producing "The Lark" 6 years ago. After the Joan of Arc play had been on 10 weeks, the stagehands notified Mr. Bloomgarden that the actors who played the parts of soldiers would have to stop carrying their spears on stage.

Each spear had a flashlight in its tip so that in the final scene the spears could be alined to simulate a cathedral on the darkened stage. This led local 1's business agent to rule that two electricians were required to carry on the spears. When the producer ridiculed the demand as alien to the show's artistic concept, the reply was that the two electricians would have to be put on anyway to clear the spears at the end of each performance.

Mr. Bloomgarden insisted that this chore could be performed by his regular company electrician. He took his protest to the parent union and won. He also won a tussle with local 802 over whether the use of a recording in which a cappella voices were substituted for instrumental music in another scene of "The Lark" necessitated the employment of four standby musicians. The final decision was that the eight Equity members who made the record should get a royalty of $10 a week each for the run of the play.

Both episodes have confirmed Mr Bloomgarden's belief that there would be much less to grumble about on Broadway if every producer took a resolute stance against "these petty annoyances that hurt the theater."

The kind of charges the employers would like to get rid of was typified by David Merrick's experience when he was moving "Becket" from the St. James to the Royale to make way for "Do Re Mi," another Merrick production. He said that the spotlights that had been installed on the balcony rail at the St. James should stay in place for the second show and that another set should be put up at the Royale.

This, he hoped, would save the expense of ripping out the "Becket" lights and replacing them with an identical installation for its successor. The union pointed out that its rules required removing all lights, scenes, and properties after one production closed and putting in new fittings for the next show. However, it said it would give Mr. Merrick "a break" by leaving the "Becket" lights where they were—provided that all 33 men in the moving crew got 4 hours of Sunday pay in lieu of the money they would have earned.

The impost applied not solely to the electricians but to the carpenters, prop men, and all other members of the crew. The $592.80 bill was paid under protest, with the understanding that the rule would come up for discussion in the present contract negotiations.

What galls the producers most about such payments for work not done is that local 1, unlike local 802, has no unemployment problem. Since the advent of television, it has had more jobs than members and the almost universal complaint among the employers is that "moonlighting"—the practice of holding two or three jobs at the same time—is widespread.

GROUPINGS ATTACKED

The producers say they would feel less outraged about this if the union did not maintain such a tight rein on the admission of new members or if it were less restrictive in its insistence that departmental groupings remain inviolate.

This means that a man whose sole function is to push a light button once an evening cannot be used to move a chair off stage in another scene a half hour later. If he has anything to do with lights, he is an electrician and cannot also serve as a prop man. For topnotch men, whose regular attendance a producer deems essential, so-called pink contracts have to be signed. These call for salaries of $225 to $350 a week, double or triple the basic scale.

Extra charges ranging from $15 to $50 pile up for such tasks as mopping the stage, moving a piano for rehearsals, or turning on the lights for photographs. So much of the regular worktime is devoted to playing cards or going out for a walk (often at the insistence of stars who object to too many people in the wings) that actors often voice envy. One dancer in "West Side Story" put it this way as she came panting offstage:

"We dance our feet off for $111 a week and the crew gets twice that much for standing around watching."

All such complaints bring a pained look to Mr. Pernick's normally bland face. He says local 1 is the soul of reasonableness when it comes to considering requests for a reduction in manning schedules. All shows have 2 weeks after they come to Broadway to adjust the size of their stage crews, but he says few even raise the question of revising their yellow cards.

SOME MEN DROPPED

He recalled that when "Advise and Consent" had run several months and was edging into the red, the union agreed to eliminate men as part of a retrenchment program that involved scrapping some of the scenery and props. He derided the charges of featherbedding and moonlighting, and insisted that the only time men held two jobs at the same time was when they were pitching in to keep a show open during a big snowstorm or other emergency.

As for the squawks about the union's compartmentalization, he asked whether the producers would be happier if local 1 recast itself as three separate unions and they had to conduct individual negotiations for the electrical, carpentry, and property departments. He said the union's structure and policies had worked out beneficially for everyone and added:

"If they did it any other way, they never could run a show. The legitimate theater is our baby. We are doing everything we know how to keep it alive. We could make many beefs about the producers, but we don't want to wash any dirty linen. We want to cooperate, and we are cooperating."

A great peace seems to have settled over relations between Equity and the producers since their epic battle a year ago. Committees representing the actors and the league hold luncheon meetings every month or two to chew over mutual problems along with their food.

The second round of wage increases went into effect last Thursday under the 4-year contract that ended the blackout. It brought the minimum pay for actors and chorus members up from $111 a week to $112.50. Stage managers got a $5 increase, bringing their rate to $245 for musicals and $195 for dramas. Rehearsal pay went up from $82.50 to $87.50 and the 1-percent pension contribution, instituted a year ago, was doubled.

Equity has nothing to say about how many or how few actors appear in a play and all arrangements for salaries above the minimum represent the producer's own decision on whether they represent a good investment. The problem that gives Equity the most trouble is keeping its members from giving away too many of their own rights in their eagerness to keep before the public.

It is common for actors getting more than the minimum to agree to take pay cuts when a show's business begins to sag in contrast with most unions, which have contract provisions forbidding any reductions in pay during the life of an agreement. Equity has a three-member cuts board that takes polls of a show's cast to determine whether the actors are willing to give up part of their wages to help extend the run.

HOURS IN DISPUTE

The cast of "Rhinoceros" has been on cuts of 15 to 33⅓ percent since March 25. The casts of "Big Fish, Little Fish," "The Devil's Advocate" and "Advise and Consent" also sacrificed part of their pay in the hope of keeping them open a little longer.

Not everything is idyllic, however, in Equity's relations with the producers. One of the infrequent friction points grew out of the road tour of "The Music Man." The company had to leave Birmingham early on the last day of its run there to be at its next stop on time. A week before the final matinee, notices were posted that the show would go on at 1:45 p.m., a half-hour ahead of time.

After the performance had been given Equity informed the producer, Mr. Bloomgarden, that part of the fine print in its 77-page rule book required that actors receive an extra payment of one-quarter of a week's salary for any show that started before 2 p.m. or after 11 p.m. Mr. Bloomgarden complained that he had never known of the rule and that no one had brought it to his attention during the week of advance notice. He plans to fight the $3,500 penalty charge in arbitration.

The other theatrical unions seldom generate major problems. Everyone from managers to ushers belongs to a union, but this rarely creates disciplinary headaches. The highest minimum scale is for press agents, who get $254.12 a week and $223.85 more if they handle a second show for the same producer. Some represent a half-dozen productions at the same time, with $223.85 for each. However, the publicist does not keep all the money. He must hire an associate for every two shows at a weekly scale of $167 or $228.

The minimum for company managers is $188 for a musical and $181.92 for a drama, but the prevailing rate is $350 or higher. Box office treasurers get $130 and assistants, $110; firemen and engineers, $131; wardrobe supervisors, $115.23; and their assistants, $102.42. Dressers for the stars must be paid at least $70.40 but those who help the rest of the cast need get only $61.60.

HOUSE WORKERS' PAY

The men at the door and the girls who show you to your seat are far from the big-money class. For ushers the union range is $33 to $42.90 a week and for doormen $40.70 to $64. Head porters earn $78.67 and their aids, $72.11.

What does it all add up to in terms of a show's success or failure? One way to measure the labor bill as a factor in total costs is to appraise the balance sheet of a big musical like "The Sound of Music." The Mary Martin show cost $500,000 to bring to Broadway and it grossed $75,870 in a typical recent week.

It has 43 stagehands, probably the largest complement on Broadway, but Mr. Bernstein, who handles its business direction, said the entire crew was needed because of the complexity of the sets and the tightness of the Lunt-Fontanne stage. It also has 32 musicians, 6 above the union requirement, again because the producers want that many. (Mr. Pernick, incidentally, is the company prop man and Mr. Bernstein calls him "damn efficient.")

The producers paid $4,920 in the sample week for part of the stagehands. The theater paid for 20 men out of its $18,968 share of the box-office receipts. Mr. Bernstein estimated that this meant something

over $2,500 on top of the $4,920. The company's cost for musicians was $3,739, with the house paying almost as much more out of its share.

ELEVEN MONTHS TO PAY OFF

The principals, from stars to bit players, drew $13,872; the chorus $2,234, the stage managers $886, the company manager $500, the wardrobe attendants $1,461, and the press agent $325. The net for the week came to $11,923 after the deduction of a long list of nonlabor charges, including $6,828 in authors' royalties. On this basis it would take about 11 months to pay off the original investors and begin showing a profit.

The judgment of interested observers like John Shubert, who devised the pension formula that helped settle the equity tieup, is that most of the theatrical crafts are headed by good sensible people who understand the weaknesses of the fabulous invalid and want to help nurse it back to health.

However, he feels more vigorous action will have to be taken all around to ward off the unexpected costs that tend to send budgets skyrocketing when a show is racing to open and the producer gets careless about what he freezes into his costs.

Mr. Shubert notes, too, that the pattern of labor settlements has involved a general increase of roughly 8 percent in every 3-year contract cycle. He is not sure how many more 8 percents can be absorbed before it becomes impossible to put on a play profitably.

[From the New York Times, June 7, 1961]

MANY FIGHT OVER THEATER'S PIE BUT WRITERS OFFER TO TAKE LESS

(By Stanley Levey)

PLAYWRIGHTS

On May 24 some of the costliest and most creative writing talent in the American theater, meeting at a hotel, agreed, without significant dissent, to cuts in writers' royalties in an effort to alleviate the plight of the Broadway theater.

In doing so, the playwrights, members of the powerful Dramatists Guild, expressed hope that all craft unions in the theater, as well as the theater owners, will ultimately make equal concessions so that the public can be the benefactor. Then the writers said:

"The Dramatists Guild believes that this will create a new climate in which productions of plays will be increased and new playwrights encouraged." Whether these hopes are ever realized and whether the unions and the owners actually do accept the challenge, one fact is firmly on the record. It is that the playwrights were the first Broadway group to tighten its belt to try to check operating costs and reduce ticket prices.

There is one big "if" in the arrangement. The writers' agreement will take effect for a play only when the director, stars, choreographer, and producer accept similar reductions in their compensation.

There is another factor to be considered: the big-name writers have little trouble getting produced. It will be the new writers who will be asked to take the cuts—but with the undeniable lure of getting produced.

For many years producers and playwrights have been playing a question-and-no-answer game with each other. The producers have asked: "How about taking a cut in royalties?" The writers have asked: "Why start with us?" The result: stalemate.

For example, only a few months ago, during the negotiations between the Dramatists Guild and the League of New York Theaters that resulted in the royalty reductions, Leland Hayward, a leading producer, said:

"It's up to the dramatists to save Broadway. If the writers who own the plays can't face the facts of life, how can we get the stars or the directors to agree to take a cut?"

He sees guild productions

A prominent playwright was asked at about that time what writers would do if producers stopped producing. He hesitated not a moment and suggested that maybe the Dramatists Guild would take a shot at putting plays on Broadway.

And Audrey Wood, a highly successful authors' agent who lists Tennessee Williams and William Inge among her clients, complained:

"It's unfair to start with the man who creates the work without starting at the same time with the other unions. Without the playwright there wouldn't be a theater.

"Tennessee Williams came to me in 1938. It wasn't until 1945 that 'The Glass Menagerie' opened on Broadway. That's a helluva long time to wait."

Paddy Chayefsky, author of "The 10th Man" and "The Middle of the Night," voted for the playwrights' royalties cut. But a week before the balloting he said that the idea was grossly unfair and a tacky piece of patchwork. Like many other writers he called attention to long months and years of research, writing, and rewriting. But then he shrugged:

"If the theater closes down to two shows a year, I'll still be writing. A writer never says, 'I'll stop writing because there's no chance of getting it produced.' "

Basically the new royalty arrangement approved by the Dramatists Guild is a recognition that the producers may have a point when they contend that high production costs make it difficult, if not impossible, to find backers willing to gamble on plays by untried authors or on plays not specifically tailored for stars with box-office magic.

Concessions are listed

Under the agreement, which is voluntary and not compulsory, and which will run for 1 year, authors may make the following concessions:

Writers of straight plays may take half of their regular royalties for a period of 17 weeks, but never less than 5 percent of the gross box-office receipts. Only two of the weeks may be weeks of out-of-town performances. Should the play recoup its investment before the end of the 17-week period, the author's royalty would go back up to his contractual percentage.

For most playwrights in the Dramatists Guild that contractual percentage is 5 percent on the first $5,000 of a play's gross box-office receipts, 7½ percent of the next $2,000, and 10 percent thereafter. A few playwrights have a straight 10-percent arrangement.

In the case of musicals, authors who now receive a straight minimum royalty of 6 percent may take half their fees for a 30-week period, starting with the out-of-town opening. But the writers' payments may not come to less than 4 percent of the aggregate royalties.

Whitehead sees gains

Robert Whitehead, president of the League of New York Theaters and a principal formulator of the plan, is convinced that the new lower royalty agreement will mean many things. He noted the following hopes:

Faster payoffs and more investors in the theater.

A greater volume of productions. "This will open things up. It will be a completely different theater."

A better chance for new writers. Mr. Whitehead believes it is economics—not lack of talent or lack of authors—that has kept untried writers off Broadway and on off-Broadway.

More plays and more good plays.

Here is an example of how the royalty arrangement might work under optimum conditions: A straight play that cost $125,000 to bring to Broadway and that turned out to be a solid hit would gross about $40,000 a week and might return a profit of $6,000 a week.

At that rate it would take something like 21 weeks to pay off the investors. Assuming that the star cut his customary 10-percent share in half and that the writer, director, and producer halved their percentages, weekly operating expenses would be reduced 10 or 11 percent.

This in turn would add about $4,000 a week to the profit, or $68,000 over the 17-week period that the reduced compensations would be in effect. The savings realized would thus substantially reduce the period necessary to recoup the original investment, perhaps even cut it in half.

For a medium success the reduced royalty agreement could mean, on the same basis, the difference between staying in business or closing. A $2,000 or $3,000 cut in weekly operating expenses might be enough to cover costs. A failure would still fail.

Mostly for young writers

Even though some of the most famous names in the theater voted to accept the optional royalty plan, the basic effect of it will be to set lower minimum rates for new and unproduced writers.

Playwrights like Tennessee Williams, Samuel Taylor, Russel Crouse, Howard Lindsay, Paul Osborn, and George Axelrod have little trouble interesting producers and attracting investors. But an author who has not been produced on Broadway frequently finds it impossible to find a producer, a star, and a director willing to take a chance on his play.

Under the Dramatists Guild minimum basic production contract these new writers hitherto have received the same minimum rates of 5, 7½, and 10 percent that applied to successful playwrights. It is they, in all probability, and not the name writers, who will be asked and expected to accept the optional royalty arrangement as a condition of being produced on Broadway.

Actually, for the established playwright, the Dramatists Guild minimums no longer have much meaning. Most name authors have become writing corporations, investing in their own shows, occasionally joining in producing them and receiving a substantial share of the profits. Writers like Tennessee Williams now make complicated deals involving play profits and movie rights that run into millions of dollars.

Mr. Chayefsky, a man not unfamiliar with financial success on Broadway, in Hollywood and on television, confessed recently that he no longer knew what was going on when he sold a play. He said:

"I've got an agent, an accountant, and a tax consultant who uses a tax lawyer in his own office. They make the arrangements. I've given my agent just two orders—don't do anything dishonest and keep me out of jail."

Even without a movie sale or a share of play profits, the author of a Broadway hit need not worry about the rent. A show that runs a year to full houses would bring a playwright an income of $125,000 to $150,000.

Laments of taxes

Movie, television, and foreign rights on a smash hit—straight or musical—can inflate the authors' returns into the millions. Before taxes, that is. Many writers complain that present tax laws do not deal fairly with the creative man, who may go for years without success and then find himself in a few months in the highest tax brackets.

Musical shows, with their greater grosses ($70,000 a week or more for a hit) mean even greater returns for composers, bookwriters, lyricists, and choreographers. Under basic contracts they are guaranteed 2 percent each

of the gross but usually get at least 3 percent. In a year of sellout houses this could mean a return of about $110,000 for each. And beyond this relatively paltry figure is the enormous income from radio, television, records, and sheet music.

And then there is the writer of the show that lasts 3 days. He will have received option money for his play from a producer, his $750-a-week guarantee for out-of-town performances, and his royalty on the gross. Years may have gone into the effort. All he can do is start over again.

Writer is expendable

And now for a fresh point of view, listen to Edward Albee. He is the off-Broadway author of "The Zoo Story," "The Death of Bessie Smith" and "The American Dream." The most money he has ever earned as a writer is $350 a week—and that for only a brief period.

"All income in the theater, including writers' income," he said recently, "is ridiculous." But it is morally wrong to set special standards for the new writer.

"Of course I would like to have a play on Broadway, but money is not the problem. I would want the same controls there that I have off-Broadway—approval of cast and director and no alterations in my script for commercial purposes.

"But I know how unrealistic I am. For on Broadway the playwright is the most basically expendable part of the commercial theater."

STARS AND DIRECTORS

(By Milton Esterow)

In the next few days, $1,500 to $7,500 weekly checks will be sent to such Broadway stars as Mary Martin, Lee Tracy, Richard Burton, Julie Andrews, Anna Maria Alberghetti, Sam Levene, Phil Silvers, Kim Stanley, Cyril Richard, Barbara Bel Geddes, Michael Rennie, and Eli Wallach.

Broadway's weekly reward for high-ranking directors—Moss Hart, Elia Kazan, Joshua Logan, Garson Kanin, and Tyrone Guthrie, among others—ranges, after an initial fee of about $5,000, from $1,200 for hit plays to $2,400 for hit musicals.

But these considerable sums are not all straight pay. The stars and directors are collecting on varied negotiations made before their shows opened—deals for percentages of the gross or profits and returns on investments in the shows. The earnings, of course, do not apply to off-Broadway where audiences and theaters are smaller.

More and more stars and directors and, to a lesser extent, choreographers and set designers, are asking for and getting percentage deals.

"The gravy is divided so many ways," Herman Bernstein, a leading general manager, said, "that you need 2 days just to write letters and checks."

"Everyone wants a piece of the pie," a theatrical lawyer said.

Recently, even an arranger asked for a percentage of the gross and a star's hairdresser sought weekly royalties. Both were turned down.

"We have reached the point," Robert Whitehead, president of the League of New York Theaters, said, "where it is somewhat out of hand. Authors, agents, directors, and producers are jointly to blame." He singled out producers, who, he said, "have loaded the overhead just to establish themselves with a success and consequently created an inflation."

He's entitled

Peter Witt, a leading agent and president of the Theatrical Artists Representatives Association, said: "All this crying isn't at all justified. If an actor's name sells tickets, he's entitled to everything he can get out of a show. The agent has no bargaining power unless he's dealing with a star."

On the whole, actors' salaries are modest. The minimum weekly wage for an Actors Equity performer during a play's run on Broadway is now $112.50.

It is the stars who are bringing joy to the Internal Revenue Service, their agents, accountants, and tax lawyers.

Most fairly big names receive weekly salary guarantees starting at about $1,500; the truly big names get $2,500 to $5,050. The record may be held by Jackie Gleason. When he appeared in "Take Me Along," he said he wanted more money than anyone had ever received on Broadway. Informed that the previous titleholder had received $5,000 a week, he demanded and got $50 more.

Not long ago, however, a noted actress came east to do a play. She sought to establish a new salary record. It has not been determined whether her wish came true because, as is the case with many Broadway stars, an asbestos curtain has been placed around her salary.

However, guarantees are simply a minimum wage and do not mean anything in a show that is doing standing-room-only business. It is the percentage deals, usually set in negotiations between the star's agent and the producer, and based on the star's popularity and drawing power, that bring the staggering earnings.

Percentages can be 5, 6, 7½, 10, or as high as 15 percent of the gross. "When there are two stars in one play who normally get 10 percent, their slice is cut to 7½ percent," one observer said. "There's a limit to where you can go without killing the goose."

Although the star's percentage of the gross has not gone up greatly in recent years, the gross itself has risen sharply because of the increase in ticket prices.

In 1933, George M. Cohan, starring in "Ah, Wilderness!" received 10 percent of the gross, with a weekly guarantee of $1,500. A $14,000 to $18,000 weekly gross for a play in those days was considered good. Thus, if the play had grossed $18,000, Mr. Cohan would have earned $1,800, or $300 over his guarantee.

A hit play today can gross $40,000; a musical like "Camelot," $84,000. A star getting 10 percent of such a play would thus get $4,000 to $8,400 a week.

Profits also split up

Fifteen or 20 years ago, names that meant money at the box office rarely, if ever, got shares of the profits. Now they do, starting with 1 percent. One of the most lucrative deals was arranged for Rosalind Russell. She received 12½ percent of the gross and 13 percent of the profits of "Auntie Mame."

In "Two for the Seesaw," which grossed over $30,000 a week fairly consistently, Henry Fonda received 13 percent of the gross until the investment was recovered, then 15 percent. Mr. Fonda also invested in the show.

Observers say, however, that there is a growing tendency on the part of stars to make percentages more realistic, to accept lower terms until the show's investment is returned. When the profits start coming in, the terms become higher.

Many stars take pay cuts when a show is in box office trouble. Jason Robards, Martin Gabel, and Hume Cronyn did it to help keep "Big Fish, Little Fish" running.

They also invest

Stars, like many other people, find that the big problem is not how to make money but how to keep it after Form 1040 is filled out. This has led to investments in shows by stars.

"One for one" deals are not uncommon. For a percentage of the show's capital, the star receives the same percentage of the show's profits. (If the average investor puts up 10 percent of the capital, he gets 5 percent of the profits. The other 5 percent goes to the producer.)

Then, if the star sells his share of the show, the profits he makes on the sale are capital gains, taxable at a maximum rate of 25 percent.

Stars who have invested heavily in shows include Rosalind Russell, Ethel Merman, Henry Fonda, and Mary Martin. Miss Martin reportedly invested $200,000 in "The Sound of Music" and later sold her share for a capital gains profit.

Broadway gives many reasons for the money stars get.

"The theater has become a hit-or-bust affair and the stars have become an important factor in the hit category," one expert said. Another said: "When you get a big star, you have no trouble raising money."

Still others cite the greatly increased income taxes since World War II; the fact that movies and television pay more money, thus diminishing the bargaining position of the theater; that many theatergoers in general and theater parties in particular demand stars.

A lawyer: "In some cases it's not so much the actor as the agents." He explained that the agent could happily drive ever more taxable deals for his clients confident that his own 10 percent was far less vulnerable on April 15.

Directors also gain

While the stars and their agents have been busy negotiating, directors have not been idle. Their checks have gone up, too.

Twenty years ago, a top director usually received a fee of about $3,000 and 1 to 3 percent of the gross. Shares of profits were rarely received.

Today, a top director usually receives a fee of about $5,000, plus 2 percent of the gross until the investment is recovered, then 3 percent, and 5 percent of the profits.

In some cases, the share of the profits is much higher. One director reportedly received 20 percent of a drama's profits. Some directors also invest in plays. Those who take on the additional job of choreographer, a recent Broadway trend, receive about 5 percent of the gross.

A young director with no standing receives a fee of about $500 or $1,000; others, about $2,500.

Shepard Traube, president of the Society of Stage Directors and Choreographers, defined a leading director as "anyone who has directed a recent hit" and said that the outcome of the director's most recent effort affected his bargaining power sharply.

Everyone in the act

In the last few years, set designers and choreographers have joined the stars and directors in demands for shares of the gross receipts. The fees for top set designers rise to $8,000 or $9,000, with up to 1 percent of the gross; choreographers get $3,500 to $5,000 with 1 or 1½ percent of the gross.

Whither salaries and percentage deals?

For several years, J. S. Seidman, a tax authority and Broadway investor, has been proposing something he believes would ease the situation—tax relief for theater people, authors and others with fluctuating incomes.

Under his proposal, if an actor had a good year in 1960 but earned considerably less in the 6 years before, the 1960 tax would be figured on the actor's average income for the 7 years.

Mr. Whitehead proposed that stars take a 50-percent cut until the investment was recovered. This, he said, would help the investor get his money back more quickly and "would build a theater that encourages the investor."

"I'm willing to gamble but it should be a concentrated effort by everyone," Mr. Witt said. "Are the theater owners ready to make concessions? The unions? The producers? Is the producer willing to let other people

participate proportionately for gambling with him? Every request opens a question."

[From the New York Times, June 8, 1961]

THEATER'S AUDIENCE IS CHANGING BUT ITS TRADE IS VITAL TO CITY

(By Nan Robertson)

THE AUDIENCE

Who are the people who sit on the dark side of Broadway's footlights today? How many are there, where do they come from and why?

More than 8 million persons saw 46 shows at 33 Broadway theaters this season. They got their tickets by mail order, through brokers, subscription clubs, and agencies for theater benefits or at the box office. Three-quarters of them live within 50 miles of Manhattan.

Of these five kinds of theatergoers, one group has proliferated at a fantastic rate—the theater benefit party.

No producer dares or wants to ignore his benefit-party audience, alumni groups, supporters of adoption agencies and settlement houses and backers of oversea aid committees fill and often monopolize theaters housing hit shows, particularly during the first months. They sustain critical failures as well. Robert Whitehead spoke for all producers when he said of the benefit audience: "It is simply insurance—the best insurance we have now against financial instability."

A fifth from benefits

Here are a few statistics.

In the 1960–61 season, ended May 31, the gross receipts on Broadway were almost $41 million. More than $8 million, or 20 percent, came from benefits. Last season the chunk was $1 million less; the season before, $3 million less.

This year's average of more than 20 percent is often higher at individual houses. For example:

"The Sound of Music," a smash hit, opened in November 1959 to an advance sale of $1 million from benefit parties alone. One-fourth of its gross receipts in 18 months have come from parties.

The percentage skyrockets on shorter runs, because parties are booked before openings and cannot be driven away by bad or lukewarm notices. For instance:

"Tenderloin" ran 7 months of the 1960–61 season. Sixty-five percent of its money was made on theater parties.

"Face of a Hero" lasted 5 weeks. Eighty percent of the receipts came from benefits. The conclusion is clear. Without the parties, the play would have run only 1 week.

Growth in a decade

Less than a decade ago, theater parties meant little to Broadway. During the 1952–53 season, about $100,000 came in to 21 Shubert-owned houses from theater benefits.

But last season the Shubert chain of 18 houses took in $5,200,000 on theater parties.

In all houses, the big benefit nights are Mondays through Thursdays. Theater party audiences save the weekend for entertaining at home.

What kind of an audience does a theater party, occupying anywhere from 50 seats to a whole house, make? Here are some opinions:

From Ivy Larric, doyenne of the dozen women agents who book benefits for about 4,000 organizations:

"They're knowledgeable people. They know plays. They're all college people. I could never put that across."

Their manners decried

That last statement sounds defensive because parties have often been excoriated. Asked what they thought of benefit audiences recently, two dozen individual theatergoers replied with these words:

"Gabby, loud, rude."

"Arrive late and sometimes loaded."

"Much visiting in the aisles and yoo-hooing to friends."

"It's like stumbling into a cocktail party where you don't belong, don't know any of the people and don't care."

Mr. Whitehead remarked: "They are not a perfect solution. These people pay up to $40 a ticket more than the box office price for the sake of charity. I can only deduce that they came because they wanted to support their organization, not my production. Probably 60 percent of the house would just as soon be somewhere else on any party evening."

But the most eloquent reply to benefit audiences was wordless. It was delivered some months ago by the actor Henry Fonda. Mr. Fonda became so exasperated by chattering in the audience one evening that he stuck his tongue out at the house while taking curtain calls for "Silent Night, Lonely Night."

It will continue to grow

Despite opposition, it seems sure that the theater party is on Broadway to stay and is certain to grow in importance.

As it corrals ever bigger blocks of tickets, it freezes out what used to be the backbone of the theatergoing public—the individual who would like to see a good show fairly promptly at the box office price.

This dwindling group is also being squeezed out by another burgeoning practice—the corrupt disposition of tickets. In Broadway jargon it is called "ice," and it means the money paid by scalpers to theaters for black-market tickets.

Every box office treasurer, theater owner, producer and broker on Broadway knows about ice. Few will talk about it. Those who do estimate that in a boom month such as November, one theater with a good show can make up to $30,000 every week on ice alone.

The magnitude of this extra income can be judged by the fact that a straight play can gross a maximum of $40,000 and a musical no more than $84,000 a week.

"Of course I know ice exists and I can't do anything about it," one producer said, "But I tell my people not to be too greedy."

The black market is astonishing with smash hits. The reason is simple. A big theater contains 1,500 seats. But during the first months of a smash, 5,000 persons may want to see it on any given night.

The ones who do see it are those who have booked in advance through benefit groups or mail order and those willing to get scalped.

The last group includes Madison Avenue advertising agencies, Seventh Avenue garment manufacturers and banks who must frequently entertain out-of-town clients. The cost of the tickets—however fantastic—is tax-deductible as a business expense.

Love that status

Then there are what one broker called "just plain people with a bunch of money who want to show off."

"They've got a scalper," he said. "They love telling friends, 'Want a pair down front for "Camelot?" I can do it for you.'"

"The brokers sell 96 percent of their tickets with the legal, $1.50 markup," a producer charged. "Some make their living from the huge markups they impose on the remaining 5 percent."

Only 10 percent of the seats for a smash are ice seats. "A guy willing to pay $25 to $50 a ticket is out to make an impression," a broker explained. "He's not going to sit in the last row of the orchestra or in the balcony for that kind of money. He wants a choice position."

Thus benefits occupy theaters in increasing numbers on the first 4 nights of the week and ice puts a dent in the seats for Fridays and Saturdays. And the flow of tickets is slowing to a trickle.

This shut-off also applies to brokers, who serve expense account clients and others who buy tickets frequently and at premium rates.

There are 89 licensed ticket brokers in New York City. Thirty, mostly big, long established concerns, belong to the New York Ticket Brokers, Inc.

Few in early weeks

The group's lawyer is Jesse Moss, who estimated that less than 5 percent of the tickets for a hit show would find their way to brokers in the first 12 to 16 weeks of the run. Then the quotas rise, he said, until they reach 50 percent—"about the time the boxoffice demand drops."

Ticket quotas for all Broadway shows are set by producers and theater owners. It is the box-office treasurer's responsibility to see that the allotments are dispatched properly to brokers, party agents, write-ins and box-office customers.

"The brokers are sore as a boil about ticket quotas and I'm sure the individual theatergoer is too," Mr. Moss said. "Neither gets a good crack at the hits. Who the hell wants awful seats for awful shows?"

Few go just for fun

Mr. Moss contends, and many on Broadway agree, "fewer people go to the theater now because they just like to go."

"Once," he said, "there was a large group who had the time, inclination, and background. They feel cheated if they only get to see the dogs. They feel they've been made fools of.

"'Okay,' they say. 'It's somebody else's theater—not mine.' And they tend to pull away."

The trend to advance sales also is reflected in individual mail orders.

According to John Shubert, mail ordering has increased fourfold in less than a decade. This is due partly to the population move out of New York City into the suburbs.

"In the old days, people would say—'What do you want to do tonight? Let's go downtown to a show,'" Mr. Shubert recalled. "Now they buy in advance, not on impulse. Look at the Sunday newspaper ads for mail orders. They used to be a quarter page or less. Now they're usually full-page ads."

Other costs discouraging

The public is further discouraged by the rising price of tickets and babysitters, the cost of dining out, train fares, garaging and tolls, and the contumely of box-office employees, whose threshold of irascibility seems to be lowering. Put together, however, these discouraging factors do not equal the impact of theater parties and ice upon the "let's-see-a-show" citizen.

But is the total audience for Broadway shrinking spectacularly? The answer is no. It has gone up and down, most down, since the Wall Street crash. The significant fact about today's audiences is that their nature has been changed by mushrooming benefits, more free-spending expense account customers and more mail orders.

Olin Glenn Saxon, a professor of economics at Yale, pointed out in a recent survey that Broadway theater attendance had fallen from 12,300,000 in 1930–31 to 8,100,000 last season. Meanwhile, the population of the United States rose 45 percent.

The first sharp dropoff came in 1933, when attendance dwindled to 8 million. During the boom years of World War II, however, 11,500,000 persons went to Broadway plays in one season.

The average in the last three seasons has been 8,300,000.

Now fewer theaters

The current attendance is not disastrously low, despite what Broadway Cassandras say. For one thing, there are fewer theaters people can go to. Broadway now has exactly one-half of the 66 houses it had at the beginning of the depression.

Many say that the rise in ticket prices since the end of World War II has driven the public away. The maximum ticket price for dramas and musicals has about doubled in 16 years.

But disposable personal income, out of which all individuals' entertainment expenditures are made, has risen much more rapidly. Between 1944 and 1960, it rose 140 percent.

As for the exodus to the suburbs, it has probably drained off some evening theater patrons although the matinee patrons are still going strong.

The suburban couples who spend an evening at the theater can count on an expensive outing.

Thirty-three dollars without tickets

A Scarsdale wife estimated that the extras, including baby sitter, the train or tolls and garaging, drinks, dinner and tips for two, and cabfare within Manhattan mounted to at least $33.

Then there are tickets. Usually they are bought by mail order at top prices.

One Pleasantville mother of three said: "If we're going to pay all that money for babysitters, transportation and dinner, it doesn't make sense to get $2.50 seats way up in the balcony. Many suburbanites don't think going to the theater is worth the trouble unless you do it right."

A pair of good orchestra seats then, at $7.50 for a straight play, would come to $15 more.

In 1959, Broadway tried to lure more sububan housewives with a 2 p.m. Wednesday matinee, a half-hour earlier than usual. It worked. Raymond L. Broeder, general manager for four playhouses, explained: "The ladies didn't have to dawdle over lunch. And, they were tickled to death to get out early."

Early curtain failed

Last fall, the League of New York Theaters tried a Wednesday curtain at 7:30 p.m. instead of 8:30 or 8:40 as set by tradition. The league hoped the suburban audience would be happy not to have to hurry for the 11:35. The plan failed in less than 2 months. The public, restaurateurs, and finally the disappointed producers turned against it.

One suburban housewife summed up the reaction: "It was just too early. You killed time beforehand with three drinks and then starved through the play. Or you bolted your dinner and felt dyspeptic all evening."

This last unsuccessful attempt to lure the vast potential suburban audience into the theater has reinforced Broadway's dependence on benefit parties and the big business spenders. These are the people who get good seats at good shows before they turn stale.

Want to go to a smash hit tonight on impulse? As Eliza Doolittle said, "not bloody likely."

IMPACT ON ECONOMY

(By Louis Calta)

At the height of a Broadway season, 30,000 persons may enter the theater district in one night to see the plays and musicals. Of these, an untold number have just left a hotel or have just parked a car in a garage or parking lot. Most have just dined at a restaurant or bought a souvenir for the children. When the show breaks, they fight for taxis under the nervous flash of Times Square's huge signs.

The nights at the height of business and the quieter ones in the diminishing days poured $41 million into the theaters' box offices this season.

But what does the presence of the Broadway theater mean to the hotels, to the garages, to the restaurateurs, to the cabbies, to the advertisers? What would New York be like if the Broadway theater died?

The 10-day blackout of Broadway playhouses a year ago cost restaurateurs about $5 million, according to H. H Gerstein, executive secretary of the Restaurant League of New York, which represents 176 restaurants.

Restaurants would close

The situation would be so critical without the theater, Mr. Gerstein said, that hundreds of restaurant workers would have to be laid off. Many of the famous midtown dining spots would go out of business. The city would lose its nickel on every dollar of restaurant fare sold in these restaurants.

Vincent Sardi, Jr., president of the restaurant league, said that if the theater died New York would then be "no different from any other American town."

He contended that out-of-towners held their conventions and meetings here because of the lure of the living theater. He also said that most business visitors usually remained in the city for a few extra days to see the shows and shop in the big stores. "All this trade would be irretrievably lost," he said.

Mr. Gerstein had a similar opinion. He said:

"People would come here just to see a doctor and rush back home."

These views are shared by spokesmen for 89 associated ticket agencies. During the Broadway stoppage they lost $250,000. Saul Lancourt, a member of the executive board of the group, New York Ticket Brokers, Inc., said that the brokers could not exist without the theater.

"There isn't sufficient revenue in the adjunct sale of tickets to movies, sports, and concert events to sustain the ticket brokers," Mr. Lancourt said. If the agencies were to go, an enterprise that grosses more than $22 million annually would vanish. So would about 1,000 jobs.

GARAGE OWNERS HURT

No less vulnerable are the garage owners. Abe Parower, president of the Metropolitan Garage Board of Trade, representing 50 garages, said that the theater blackout had meant a loss of more than $1 million to the garages.

The conflict was equally catastrophic for the taxis. Henry Friedlander, counsel for the Metropolitan Taxicab Board of Trade, which represents more than 11,000 cabs, estimated that the group's drivers were deprived of $500,000 in the 10-day blackout.

Travel agents are quick to note that many visit New York annually to see enough dramatic fare to last them the rest of the year. And, if anything cut down on the attractiveness of New York for tourists, it would make a severe dent in a whole complex of industries—airlines, buses, railroads and the hotel business.

James A. McCarthy, executive vice president of the Hotel Association of New York City, said that hotel reservations went down 5 percent during the blackout. The hotel restaurants' sales of food and liquor were also hurt.

Stanley MacArthur, vice president in charge of sales at Douglas Leigh Associates, the company that handles the electric signs known as spectaculars, said that national advertisers would reconsider their local expenditures if Broadway were no longer the Nation's theater street.

A star attraction

Louis A. Lotito, president of City Playhouses, Inc., calls the theater New York's star attraction.

"People do not come to New York," he said, "for the motion pictures which they can see in their hometown nor for television, which they can see in their living rooms."

Moreover, Mr. Lotito said, if the live theater vanished from the scene, Times Square real estate would not be worth more than 25 cents on each $1 it is now worth.

Robert Whitehead, president of the League of New York Theaters, said that the theater's presence in New York had made it "stand before the world as a center of theatrical supremacy, to the enlargement of its own stature as a world capital."

"Our theater," he said, "makes New York City unique among American cities. Only here is there an unbroken continuity of cultural and recreational advantages."

Mr. JAVITS. Mr. President, by way of conclusion, I should like to urge on my colleagues, aside from reading the articles, that they do something about the proposition. As President Kennedy has found, upon his confrontation with Premier Khrushchev, if we are going to win the struggle for freedom, if we are going to win it at all—and I am confident we will—it will be in the field of economics, society, and culture.

The Russians are using, to the greatest benefit to them, cultural manifestations which have been very successful, whether it is the Bolshoi, or the Moiseyev, or Gilels, their famous pianist, or Oistrakh, their famous violinist.

We have a kind of small, backhanded program, sponsored by the President's fund, which deserves to be one of our major efforts in the international field.

Again, the idea which I am presenting is the kind of effort which has been manifested by the success of the Theater Guild, led by Helen Hayes, which has been having such success in showing three American plays.

I hope Members of the Congress will take this matter very seriously and realize how critical this problem is.

BAR ASSOCIATIONS ENDORSE PROPOSAL CONCERNING THE ADMISSION TO PRACTICE BEFORE FEDERAL AGENCIES

Mr. KEATING. Mr. President, on March 22, 1961, I was joined by my distinguished colleagues, Senators BRIDGES and HRUSKA, in introducing a bill, S. 1409, to permit members of the bar of the highest court of a State or Federal court to practice before administrative agencies of the United States.

Since that time, I have received considerable correspondence from attorneys practicing law in many sections of the Nation, as well as several county bar associations in my own State of New York. Every letter I have received on this subject has been one of warm endorsement. The Nation's bar is cognizant of needed changes in the requirements presented by Federal agencies in securing the right to practice before them. This proposal would to a large extent clear the formidable obstacles thrown in the way of attorneys desiring to represent clients before administrative agencies of the Federal Government. I would hope that the Senate Judiciary Committee would proceed to the consideration of this measure before the current session of Congress ends.

Knowing that many of my colleagues will be interested in reading the endorsements of S. 1409 submitted by bar associations in New York, I ask unanimous

consent to have a few of these letters printed at the conclusion of my remarks in the RECORD.

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

BROOME COUNTY BAR ASSOCIATION,
Binghamton, N.Y., April 10, 1961.

Hon. KENNETH B. KEATING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KEATING: The Broome County Bar Association approves of your bill to permit members of the bar of the highest court of a State or Federal court to practice before administrative agencies of the United States. We would appreciate your voting in favor of it.

With best wishes.

Very sincerely,
EUGENE C. GERHART,
First Vice President.

SUFFOLK COUNTY BAR ASSOCIATION,
April 10, 1961.

Hon. KENNETH B. KEATING,
U.S. Senator,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: I am in receipt of a reprint of the CONGRESSIONAL RECORD of March 22, 1961, which has to do with your bill (S. 1409) in reference to admission to practice, by attorneys, before Federal administrative agencies.

It was only a short time ago that this subject matter was discussed at one of our meetings and I know that your bill is a step in the right direction to eliminate the obstacles which some agencies place in the path of attorneys.

We will give your bill widespread publicity in the next issue of the Suffolk County Law Bulletin. Perhaps we could use the heading "The Senator Who Does Something for Lawyers."

Very truly yours,
JOSEPH F. O'BRIEN,
President.

SULLIVAN COUNTY BAR ASSOCIATION,
Monticello, N.Y., April 24, 1961.

Hon. KENNETH B. KEATING,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Our bar association heartily endorses your bill, S. 1409, and hopes for its early passage.

This bill, which provides that any member of the bar of the highest court of his State may practice before any department or administrative agency without the necessity of making application or showing other qualifications. It would certainly eliminate much wasteful procedure, undoubtedly entailing great expense to the Government and trouble to the member of the bar concerned. It is certainly clear that an attorney in such standing would be qualified to practice before any governmental agency or bureau.

Very truly yours,
LOUIS B. SCHEINMAN,
President.

RICHMOND COUNTY BAR ASSOCIATION,
Staten Island, N.Y., May 31, 1961.

Re Senate bill 1409, admission to practice before administrative agencies of the United States.

Hon. KENNETH B. KEATING,
U.S. Senate,
Capitol, Washington, D.C.

DEAR SIR: The Bar Association of the County of Richmond has instructed me to communicate with you concerning the subject legislation.

Our bar association unqualifiably endorses the proposed bill as a matter of legislation long overdue. It is the considered opinion of the bar association that it is unwarranted to require attorneys-at-law to separately apply to each administrative agency for admission to practice.

Very truly yours,
JOHN T. CONNOLLY,
Chairman of the Legislative Committee.

ICY SUMMIT

Mr. KEATING. Mr. President, night before last the American people heard a straightforward account of the summit meeting. It was something in the nature of an icy blast. The atmosphere at Vienna was apparently chilly. The President held little hope for compromise or agreement. I am glad that he did not expect or offer further compromises on our side—after all, in the test ban talks and in the Laos imbroglio, we have already conceded a good deal more than perhaps we should have. But we are all less than glad to hear that the Communists are still planning to move ahead as they have been, precipitating crises in Berlin, at the United Nations, and elsewhere. The talks, in short, have not really told us anything we did not know before, but it is reassuring to the American people to know that the President now has, from the horse's mouth, an indication of the continuing Soviet recalcitrance over the vital issues affecting world peace and security. We must all keep this lesson in mind.

There are two additional points which I think should be made about the President's statement and about his European experiences. First, Khrushchev's unwillingness to make any new points or offer even a new propaganda line at Vienna is evidence of the increasing hold which the Communist Chinese are getting on Communist policy. No longer can Khrushchev alone take a position or press a line of policy, even though the Soviet Union might reap political advantages from it.

Even on the question of Berlin, which is far removed from the Chinese sphere of influence, or ought to be, Khrushchev apparently wants to wait until after the party congress in the fall before committing himself to a more belligerent policy. It has long been suspected that the Soviet refusal to agree to a nuclear test ban is the result of Chinese pressures. I think that the Vienna Conference and the President's report on it strongly reinforce this view.

Secondly, the continued Communist cease-fire violations in Laos, and in particular the capture of Padong by the Pathet Lao, give further, dramatic evidence. Either Khrushchev was deliberately lying when he told our President that progress could be made in Laos—and of course, this is always possible—or the Red Chinese leaders have taken this way of thumbing their noses at Nikita Khrushchev. I am inclined to believe the latter. Whatever Russia says, Red China clearly intends to take over Laos by force.

The Geneva talks on Laos have now been postponed, ostensibly until the arrival of Soviet Foreign Minister Gromyko. Under the circumstances, this postponement is certainly in order. But since the Soviet Union does not appear to be in control of events in Laos, it is difficult to see what Gromyko can do in Geneva.

The President will be backed in reacting with vigor and determination to the new threat in Laos. The administration has said that we are willing to accept a neutral, independent Laos. Is the administration also willing to accept a militarily subjugated, Communist-controlled government?

Because, whether we like it or not, that is what Laos is going to have very shortly unless we do something more effective about it. How long are we going to stay at Geneva, whether at the conference table or out in the corridors, insisting on a ceasefire while the Communists move right ahead and conquer Laos? Our position is becoming ridiculous. If the Communists do not want to negotiate, if they can get what they want without negotiating—why are we still waiting hopefully for them to join us at the negotiating table?

It is the same situation as at the test ban talks. We are not getting anywhere. I applaud the stand taken by our representative, Arthur Dean, that the Soviets should be put under the greatest possible pressure to make public the terms of our own proposal to the Russian people. I hope our information services are doing their utmost to publicize the American position. Nothing could prove the duplicity of the Soviet performance at Geneva more clearly than the Kremlin's refusal even to divulge the terms of our offer in Russia. How much longer are we going to stay like sitting ducks in Geneva while the Communists are acting like birds of prey in the rest of the world?

NOMINATION OF GEN. CURTIS E. LEMAY TO BE CHIEF OF STAFF OF THE AIR FORCE

Mr. SYMINGTON. Mr. President, I ask unanimous consent that a statement with respect to the nomination of Gen. Curtis LeMay, made today by the chairman of the Senate Armed Services Committee, the able and distinguished senior Senator from Georgia [Mr. RUSSELL], be printed at this point in the body of the RECORD.

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

STATEMENT BY SENATOR RUSSELL

The nomination of Gen. Curtis E. LeMay to be Chief of Staff of the Air Force is eligible for consideration this morning. In accordance with our precedents General LeMay is making a personal appearance. Some members of the committee have known General LeMay for many years.

General LeMay, we are especially pleased to have you here this morning and on behalf of the committee the Chair extends congratulations for the expression of confidence that is manifest by your nomination.

Before recognizing other members of the committee for such statements and questions as they may have in mind, the Chair desires to make this one comment.

General LeMay, because of your identification with the Strategic Air Command and your accomplishments there, I am confident that you must have had many tempting offers to accept civilian employment. That you have declined these offers and have continued to give the Government and the Department of the Air Force the benefit of

your valuable services indicates a commendable dedication and public spirit for which I have great admiration and respect. I think the country is fortunate to have a person of your experience and ability as the next Chief of Staff of the Air Force and I know that you can depend on the cooperation of this committee in endeavoring to make your service in that assignment an extension of the extremely effective service that you have already rendered.

Mr. SYMINGTON. Mr. President, I am confident that all Members of this body and the American people agree with this statement.

VERMONT'S VOLUNTARY WEATHER OBSERVERS

Mr. PROUTY. Mr. President, recently I made a statement to a subcommittee of the Appropriations Committee relative to weather reporting in Vermont.

I said then that the statement usually ascribed to Mark Twain that "everybody talks about the weather but nobody does anything about it," had been changed in my State to: "Everybody knows about the poor weather reporting but nobody does anything about it." I expressed the hope of most Vermonters that by the addition of a very small sum to the Weather Bureau appropriation, Congress would this year do something to improve the weather reporting in the State.

In my statement I explained that Vermont's justly famed Green Mountains and valleys are beautiful to behold and exciting to traverse but that this kind of terrain results in a variety of weather conditions throughout the State. Some of the characteristics of Vermont's climate are changeableness, large range of temperature, both daily and annual; great differences between the same seasons in different years, and considerable diversity from place to place within the State's 9,609 square miles.

I pointed out that despite these characteristics, which make for difficulty in accurate weather forecasting, and despite the importance of frequent and accurate weather reports and forecasts to the livelihoods and the lives of the Vermonters, our State is one of the few States in the country which has only one weather station manned by paid, professional personnel.

Most of our forecasts now come out of the Boston station, are general in nature, often inaccurate, and always inadequate. This is so because the Boston station receives no regular daily reports of current conditions from the extreme northern portion of the State nor from the two-thirds of the State south of Burlington and Montpelier.

In my remarks to the subcommittee I mentioned Vermont's voluntary cooperative weather observers and explained that the type of reports made by them are primarily intended for statistical purposes and are not usable in day-to-day forecasting.

Had time permitted, my statement would have included a sincere tribute to the dedicated service of the men and women, the public and private institutions, and the commercial firms who man the 61 cooperative stations in Vermont and the 12,000 stations with one or more types of service in the United States and its possessions.

Since time was not then available, I am pleased that I am now afforded the opportunity to appropriately pay such tribute by the fact that the first of this month marked the 75th anniversary of the establishment of one of the oldest stations providing continuous climatological weather observations by one family in the whole country.

Since June 1, 1886, members of the Lane family of Cornwall, Vt., have provided weather observations from the same general location. This unusual record of interest and devotion to duty without monetary compensation has been made by four members of this fine old Vermont family. It was started by Henry Lane, who carried on his observations until 1887. He was followed by Charles H. Lane, who carried on the service for over 40 years until 1928. Then Sarah Lane served for more than 20 years until November 1950. From then until the present day the work has been carried forward by Sarah Lane's grandson, Stuart Witherell, presently judge of probate in Addison County, and his wife, Jessie Irons Witherell. In December of last year Judge Witherell received a certificate of award marking completion of 10 years of service.

According to Weather Bureau officials the Cornwall records are "particularly interesting as a climatological data series since the station remained in the same location for most of the period and has suffered only insignificant changes in exposure in two subsequent moves."

Another Vermont family that has a distinguished long-term record for weather observation is the Pomeroy family in Enosburg Falls. Four members of the family have carried on the tradition from 1899 up to the present. The first of the four was L. Howe Pomeroy, who served through 1914. J. W. Pomeroy followed until May 1920 and J. E. C. Pomeroy continued to 1926. The present observer, L. H. Pomeroy, began his work January 1, 1927, and has served faithfully ever since then with the exception of an unavoidable gap during the war years from 1943 to 1946.

The oldest weather station now operating in Vermont was served for more than 40 years by the Eaton family of Woodstock. Woodstock records began February 1, 1885. John S. Eaton began observing in 1897 and William S. Eaton carried on through July 1939.

Vermont's second oldest cooperative weather station still in operation began only a month after Woodstock and was served for more than 35 years by George and W. F. Dewey until the end of June 30, 1930.

Other Vermont individuals who are now continuing remarkable service records include George L. Cooper, who began at Bloomfield in July 1926; Mrs. Bernice P. Ordway, who has served at Rochester from January 1929; Mrs. Fred May, who has observed at Mays Mill from April 1930; Kilman W. Ford, an observer at West Burke since July 1930; and Lawrence L. Leonard, Somerset's weather observer since April 1932.

In Vermont the tradition of observing weather phenomena, and recording it, predates the establishment of the Weather Bureau.

One hundred and seventy-two years ago, Samuel Williams, of Rutland, observed and recorded temperature, precipitation, wind direction and general weather behavior for the whole year of 1789. In Bennington, Benjamin Harwood kept a weather diary from March 1805 to October 1837. And at Middlebury College, Frederick Hall observed and recorded temperature, wind direction and general weather during 1812, 1813, and 1814.

These men were in the tradition of Benjamin Franklin, Thomas Jefferson, and James Madison, father of the fourth President of the United States, all of whom observed and recorded weather.

In Vermont, a number of institutions, as well as individuals, have served well. Outstanding among these is the Fairbanks Museum at St. Johnsbury. This museum has kept excellent records not only since the beginning of official cooperation with the Weather Bureau on January 1, 1894, but also for many years prior to that date. The Fairbanks records were begun by the Fairbanks family on May 1, 1858, at a location only about 500 yards west of the present observatory. According to the Weather Bureau these records "constitute one of the most detailed early weather record series in America."

In addition to the Fairbanks Museum, the New England Power Co., has provided weather observers for more than half a century at two points in the State—at Bellows Falls since March 1902 and at Vernon since August 1909.

This same public utility has also provided observers for more than a quarter of a century at four points in Vermont; at Readsboro since December 1930; at Searsburg Mountain since April 1930; at Searsburg Station since May 1930, and at Whitingham since May 1930.

The Central Vermont Public Service Corp. has had an observer at Cavendish since October 1929; the Gilman Paper Co. at Gilman since May 1930; the Connecticut River Power Co. at McIndoe Falls since March 1932 and the Green Mountain Power Corp. at Middlesex since March 1932.

To these men, women, and institutions I can pay no higher tribute than to quote the words of our former Secretary of Commerce, Frederick H. Mueller:

> The services performed by the Weather Bureau's voluntary cooperative weather observers are in the highest tradition of American citizenship. The value of their contribution, directly or indirectly, to our social and economic welfare can only be measured in terms of the increasing importance of weather and its effects in our everyday living.
>
> The thousands of men and women who form the voluntary observer corps, maintaining a day-to-day record of weather conditions in their localities, have contributed the bulk of our knowledge of the climate of the United States.

I now ask unanimous consent to have printed in the RECORD a list of 17 Vermonters and 4 Vermont institutions which have received awards for lengthy

and faithful service as weather observers.

The PRESIDING OFFICER (Mr. HART in the chair). Is there objection to the request of the Senator from Vermont?

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

OBSERVER, STATION NAME, AND AWARD

George L. Cooper, Bloomfield, 30-year emblem.

George C. Hastings, Cornith, 15-year emblem.

Stuart Witherell, Cornwall, 10-year emblem.

Rufus Gilbert, Dorset (1/S), 15-year emblem.

L. H. Pomeroy, Enosburg Falls, 30-year emblem.

Avery Park, Grafton, 15-year emblem.

Orrin L. Harris, Highgate Falls, 15-year emblem.

Mrs. Fred May, Mays Mill, 30-year emblem.

Milton W. Drew, Newport, 15-year emblem.

Mrs. Pearl Drew, Newport, 15-year emblem.

Mrs. Bernice P. Ordway, Rochester, 30-year emblem.

George L. Kirk, Rutland, 15-year emblem.

Lawrence Leonard, Somerset, 25-year emblem.

Ray E. Lyman, South Londonderry, 15-year emblem.

Mrs. Edith Spaulding, Tyson, 10-year emblem.

Gilman W. Ford, West Burke, 30-year emblem.

Stuart A. Elliot, White River Junction, 15-year emblem.

New England Power Co., Bellows Falls, 50-year certificate.

Central Vermont Public Service Corp., Cavendish, 25-year certificate.

Gilman Paper Co., Gilman, 25-year certificate.

New England Power Co., McIndoe Falls, 25-year certificate.

Green Mountain Power Corp., Middlesex, 25-year certificate.

New England Power Co., Readsboro (1/s/se), 25-year certificate.

New England Power Co., Searsburg Mountain, 25-year certificate.

New England Power Co., Searsburg, 25-year certificate.

New England Power Co., Vernon, 50-year certificate.

New England Power Co., Whitingham (3/w), 25-year certificate.

SIGNIFICANCE OF THE VIENNA MEETING

Mr. HUMPHREY. Mr. President, one of the most perceptive and thoughtful articles which has been written about the President's conference with the Chairman of the Council of Ministers of the Soviet Union, Mr. Khrushchev, was that of Walter Lippmann, under date of June 6, the headline being simply "Vienna."

Mr. Lippmann places the proper emphasis in his column on the discussions which took place at Vienna. I ask unanimous consent that the article be printed in the body of the RECORD.

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

VIENNA

(By Walter Lippmann)

From the reports based on official briefings we know enough about the Vienna meeting to say that it was significant and important because it marked the reestablishment of full diplomatic intercourse. As a result of the U-2 and the breakup of the summit conference in Paris, there was in fact, although not in form, a rupture of diplomatic relations between Moscow and Washington.

Since President Kennedy's election there have been moves on both sides to repair the break, first through the careful diplomacy of Mr. Thompson, our Ambassador in Moscow, and then through the Vienna meeting which set a seal upon the resumption of diplomatic intercourse.

This is a very considerable achievement, over and above specific agreements and disagreements which were reached in the conversations. For it is only by diplomacy, that is by continual talking, that the ultimate showdown, which neither side wants or can afford, can be put off and the conflict in the end outgrown and outlived. A worldwide settlement is not in any true sense possible, or even conceivable. But a regulation of the danger of war is possible and is imperative.

It is only by diplomatic talk that the two sides can avoid pushing themselves or of getting pushed into some dead-end street where there is no choice except surrender or suicide.

It seems fair to say that an awareness of this existed in the meeting at Vienna. Both men are quite well aware that neither of them is in a position to deliver an ultimatum to the other, and that neither is able, even if he personally were willing, to yield to the other beyond the point where an accommodation of their interests, not a surrender of them, is reached.

Neither side can dictate to the other. Neither side can conquer the other. Neither side can surrender to the other. Therefore, solutions by negotiation and diplomacy are indispensable.

This is illustrated by the one specific issue which is discussed in the official communique. That is Laos. Quite evidently Laos is not of such vital interest to the Soviet Union or to the United States that either of them would in cold blood be willing to fight a costly war to impose its terms of settlement. But at the same time, and of equal gravity is the fact that an attempt to impose a surrender of Laos to the Communists, that is to say in the end to the Chinese Communists, would be intolerable to the United States and that military moves which would not be undertaken in cold blood might be undertaken in hot blood.

The object of diplomacy is to anticipate and resolve, to cool the fevers of, intolerable choices in which the issue is surrender or suicide. In Laos, as the Khrushchev-Kennedy communique recognizes, neutralization is the best possible accommodation of the conflicting interests. In neutralization we abandon the ambition, which was entirely misguided in the first place, of an American satellite government. The other side gives up the hope of absorbing Laos into the Communist orbit.

Whether a neutral Laos can in fact be created is, of course, highly uncertain. We do not know, for example, whether in his relations with Red China, which has the predominant interest in southeast Asia, Mr. Khrushchev has a free hand to do at Geneva what he promised to do in Vienna.

We may hope that he will try. The greater interests of the Soviet state are not involved deeply in Laos or in southeast Asia. For Mr. Khrushchev as for Mr. Kennedy what is at stake in southeast Asia is, in the main, prestige. There would be no loss of prestige for either side if Laos became a neutral state under a government agreed to by the three Laotian princes, and legitimatized in an international treaty. It is not at all impossible that such an arrangement to neutralize Laos might be expanded into an arrangement to neutralize all of southeast Asia. This regional association might be guaranteed by India and by Pakistan, by the United Nations, and by all the great powers including mainland China.

As to Berlin, which was discussed at some length, the record shows that there has been no showdown and that none is imminent. More time, to be used in continuing discussion, is indispensable.

For Berlin is the supreme example of a situation which could become a dead-end street where for each side the choice was surrender or suicide. Nobody can afford to have any illusions about Berlin, either that Mr. Kennedy would never fight, or that Mr. Khrushchev would never fight. Mr. Khrushchev must not have the illusion that the United States would not fight if he drove it into a corner. Mr. Kennedy must not have the illusion, which is held by some of his advisers, that the Soviet Union can be driven into a corner, that it can be intimidated, and that it does not have to be listened to. Nor can we allow ourselves to be caught in the illusion, which is to be found both in Bonn and in Paris, that the West can refuse any negotiation and leave things exactly as they are by threatening to go to war.

The danger of Berlin is that the two sides will let themselves be pushed by their extremists—in East Berlin and in Bonn—into a situation where the problem is what happens when an irresistible force collides with an immovable object. I have a certain amount of confidence that the two men were conscious of this, and having talked with each other are now still more conscious of it, and still more determined that slowly and patiently they must find a way to avoid the intolerable choice.

Mr. HUMPHREY. Mr. President, I wish to make a brief comment about the article. I believe that the conference between the President of the United States and the Premier of the Soviet Union was, as has been stated, useful. I believe the conference added new confidence to our allies about the leadership of the United States. Any doubt which ever may have existed as to the capacity or the ability of our President in the field of diplomacy and foreign policy was fully erased. Our adversaries found in the President a man of strength, of firmness and yet of reasonable nature.

The fact that the conference had a tendency to subdue some of the more violent and noisy aspects of diplomacy I think is to the good. It will give us an opportunity, as a free people, when public opinion means so much, to have the President of the United States conduct foreign policy in an atmosphere of great order and tranquillity.

Finally, Mr. President, I believe these conferences should continue. The day of the so-called normal diplomacy is over. The heads of state have a responsibility to confer. The Constitution places the responsibility for American foreign policy on the Chief Executive. Surely, in the Soviet system, the responsibility is on the dictator. Since these are the facts of life of our time, I believe we should proceed to these conferences with a greater degree of confidence, with less reluctance, with an expressed willingness to utilize so-called summit diplomacy to its utmost. This does not mean all negotiations should be conducted at such level, but surely contact should be maintained and conferences should be regularly scheduled.

LEAVES OF ABSENCE FOR EMPLOYEES WHO WISH TO JOIN THE PEACE CORPS

Mr. HUMPHREY. This morning's New York Times reports an excellent address delivered by Sargent Shriver, Director of the Peace Corps, in which he urged business concerns to grant leaves of absence to employees who wish to join the Corps.

This is a splendid suggestion. I heartily endorse it. I hope the business community will embrace it.

I am pleased to note that the response to Mr. Shriver's suggestion is being favorably received by both business and labor leaders. Certainly, Mr. President, the same consideration should be given by business firms to those who join the Peace Corps as is given to those who serve our country in the military.

And I would hope that our colleges and universities and vocational training schools also will agree to grant leave to their teachers so that they can take part in this new and important program. One of the most crucial needs of so many of the underdeveloped countries is for teachers in a wide range of subjects. Many of our teachers are anxious to serve in the Peace Corps. I trust that the schools at which they teach will help make the Peace Corps a great success by granting leaves of absence to those entering the Corps, without the loss of seniority or tenure, which means so much to many of our people.

I ask unanimous consent that the article from today's New York Times on Mr. Shriver's address at De Paul University and an article on the reaction from business and labor leaders to this address be printed at this point in the RECORD.

There being no objection, the address and article were ordered to be printed in the RECORD, as follows;

SHRIVER ASKS BUSINESS TO GRANT LEAVE TO CORPS MEMBERS

(By Austin C. Wehrwein)

CHICAGO, June 7.—R. Sargent Shriver, Jr., Director of the Peace Corps, urged business today to grant leaves of absence to employees who want to join the Corps.

"A major response must come from American business," he said, continuing:

"Paying taxes is no longer in itself sufficient; the Peace Corps needs the kind of trained and aggressive people who make a success in business."

Mr. Shriver said that the "dynamism" inherent in business ideas would find a fertile field in the world's newly emerging nations.

"I hope," the Peace Corps Director said, "American businesses and industry will provide 2-year leaves of absence, without pay but with reemployment benefits for their employees—whether top-level administrators or secretaries—who can meet a critical need abroad."

He said the critical element missing in underdeveloped countries was middle manpower. These areas, he said, often had well trained and highly educated top leaders and plenty of manual laborers, but lacked the skilled manpower to do the work in between.

The reaction to Mr. Shriver's proposal was generally favorable among both business concerns and labor unions.

Mr. Shriver's suggestion for leaves of absence was prompted by a recommendation from an advisory group concerned with jobs for Peace Corps people upon their return from service.

This group, whose membership includes Joseph Bierne, president of the Communication Workers of America, and Ralph Lazarus, president of the Federated Department Stores, met with Mr. Shriver 2 weeks ago. The group also urged him to ask labor unions to guarantee protection of seniority rights.

Today, Mr. Shriver said, labor must also respond to the call for support of the Corps. He did not mention seniority, but he said that labor unions should grant reemployment rights that have been accorded up to now only to veterans of war.

Mr. Shriver, who is President Kennedy's brother-in-law, spoke at the commencement exercises of De Paul University, where he was awarded a doctor of laws degree.

He said that a recently completed around-the-world trip had convinced him that 50,000 jobs needed filling in 103 underdeveloped areas of the world, and he had in hand now requests for 4,000 Peace Corps members.

He said he had 10,000 applications, arriving at the rate of 150 a day. Mr. Shriver, answering by implication reports that the response to the Peace Corps was disappointing, said that almost 4,000 persons took the first battery of Peace Corps examinations last week despite the fact that they were given during the final examination periods at many colleges.

He continued: "Another barometer of the response the Peace Corps has evoked are the descriptive statistics of volunteer questionnaire forms we have received. Of the first 4,800 eligible questionnaires that we have examined, these interesting figures turn up:

"Seven hundred and twelve applicants have professional skills in operating a tractor. One hundred and seventy-two can run a bulldozer. There were 616 people with professional skills as carpenters; 205 as surveyors; 295 as electricians; 193 as masons, and 196 in metal working. Three hundred and seventy applicants had professional experience with biology lab equipment and 473 with chemical lab equipment. Two hundred and seventy were professional nurses.

"Of the 4,800 applicants, 1,817 were college graduates and 1,203 persons had 1 or more years of graduate work. One thousand of them can speak Spanish and another 1,000 can speak French. Sixty-six speak Portuguese, 24 speak Arabic, 22 speak a Chinese language, and 12 speak Hindu or Urdu."

SHRIVER PROPOSAL ENDORSED WIDELY—BUSINESSES BACK LEAVES FOR PEACE CORPS SERVICE

The reaction to the proposal that business concerns grant leaves to persons who want to join the Peace Corps was generally favorable among businessmen and labor leaders.

The suggestion was made yesterday by R. Sargent Shriver, Jr., Director of the Peace Corps, in a commencement address at De Paul University in Chicago.

A spokesman for the American Telephone & Telegraph Co. said: "We have always granted leaves of absence to a great many employees in recent years to serve in various Government programs. We will continue to follow this policy whenever our people are needed to best serve the Nation's needs."

A similar comment came from a spokesman for the Metropolitan Life Insurance Co., who said that company's policy had been to grant leaves of absence when employees were needed in Government service and that it was expected the policy would be continued.

Murray D. Lincoln, president of Nationwide Insurance Co., said in Columbus, Ohio, that he considered the suggestion a grand idea, and added: "Business and industry should encourage efforts to help people in other countries under the Peace Corps program. I believe that employees who are qualified and accepted by the Peace Corps should be given the same recognition by business as those who enter the military services."

A spokesman for Standard Oil (New Jersey) said he was sure the company would cooperate with the Shriver plan.

August Scholle, president of the Michigan American Federation of Labor and Congress of Industrial Organizations, said in Detroit that he was sure organized labor would do "as much as we could do to provide the necessary manpower." He noted that it would be necessary for labor and management to extend contract seniority provisions to workers in the Peace Corps because "nobody is going to volunteer for a 2-year period if they come back and find themselves unemployed."

Mr. Scholle suggested that organized labor set up apprenticeship programs to train workers in the skills needed by nations asking for Peace Corps assistance.

In Denver, O. A. Knight, president of the Oil, Chemical, and Atomic Workers International Union, said he was "100 percent in agreement" with the suggestion.

Approval of the proposal was not universal. Gordon L. Hostetter, president of the Employers Association of Chicago, said he could "see no merit" in it.

"Only the very largest concerns could even afford to lend people to the Government for the Peace Corps," he said.

"The firms would have to hire replacements and you simply can't hire replacements with the understanding that they'll be relieved of their jobs in a couple of years. I don't think many employers are going to respond affirmatively to the suggestion," he said.

A spokesman for the Labor Federation said in Washington that he was sure unions would seek to work out with employers new contract clauses to permit workers to serve in the Peace Corps and return to their jobs without losing in seniority.

Mr. JAVITS. Mr. President, I invite the attention of the Senator from Minnesota to the fact that it so happens that I, too, intended to speak to precisely the same point about the Peace Corps. I ask unanimous consent that the portion of the article in the New York Times which deals with the reception of the plan by business and labor may be printed in the RECORD at this point as a part of my remarks.

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

SHRIVER PROPOSAL ENDORSED WIDELY—BUSINESS BACKS LEAVES FOR PEACE CORPS SERVICE

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The suggestion was made yesterday by R. Sargent Shriver, Jr., Director of the Peace Corps, in a commencement address at De Paul University in Chicago.

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idea, and added: "Business and industry should encourage efforts to help people in other countries under the Peace Corps program. I believe that employees who are qualified and accepted by the Peace Corps should be given the same recognition by business as those who enter the military services."

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A spokesman for the labor federation said in Washington that he was sure unions would seek to work out with employers new contract clauses to permit workers to serve in the Peace Corps and return to their jobs without losing in seniority.

Mr. JAVITS. Mr. President, for many years I have urged, through practical measures and as a matter of policy, that we cannot win the cold war without the assistance of American business. I think Mr. Shriver is absolutely correct. He is entitled to the support of American business and American labor. I emphasize this point because there is often just as much exclusionism in terms of people's seniority and their standing in the trade unions as there is in a business concern.

I point out to Senators, and particularly the Senator from Minnesota, who has had a great deal to do with this work, that I do not see any reason why we should not make it possible under the tax laws for American business to release, on a temporary basis, employees for the Peace Corps and yet maintain their salaries and wage levels.

The Peace Corps may not be able to pay members of the Corps what they need or what they are entitled to based on their standing with a particular company, but that company ought to continue to pay their salaries, so that they would not be under economic pressure to refrain from serving the Peace Corps, though they may have the will to do so.

This point is extremely important. We have actually submitted these ideas to the ICA. I point out that we should not live in a dreamworld. Mr. Shriver has said that he found on his trip around the world that there are 50,000 jobs that need filling in 103 underdeveloped areas of the free world. The maximum number of applicants to the Peace Corps is 4,800 in terms of the eligibility questionnaire.

Obviously, in view of the job to be done, and the magnitude in which it needs to be done, we need the cooperation of government and business. We would make it possible for American business to cooperate. American business may have to run a two-platoon system in jobs in order to make available people for the Peace Corps program and at the same time have available people to fill their positions without loss in seniority, pension rights or compensation.

My hope is not a dream idea. I have actually brought the New York Telephone Co. together with the ICA in order to discuss this very proposal. I can assure the Senate that the proposed program is very practical and can be put into operation, provided that we in Congress cooperate.

So I say to the assistant minority leader that the proposal is not only a great idea or an abstract principle, but it is also a matter of hard reality; and these soldiers of peace can be just as critically important as any soldiers we have ever drafted for war. But we must support them, and see that companies that wish to contribute find it possible to do so, through recognition of the service as an area of national service and entitled to our help with respect to taxes and the other considerations I have described.

Mr. HUMPHREY. Mr. President, I think the suggestion of the Senator from New York is meritorious. I am pleased that he has made the suggestion today, and I hope it will be looked into very carefully with the objective in mind of making the plan a reality through action of the appropriate agencies of governernment, particularly the Treasury Department and the Director of the Peace Corps.

Mr. JAVITS. Perhaps we could both make the request; and, with the prestige of the Senate, perhaps we could make some progress.

Mr. HUMPHREY. I would be happy to join with the Senator.

Mr. JAVITS. I thank the Senator.

BASIC PROBLEMS IN AN ERA OF CRISIS

Mr. HUMPHREY. Mr. President, last Sunday the president of the Minneapolis Star & Tribune Co., Mr. John Cowles, delivered the commencement address at Gustavus Adolphus College, in St. Peter, Minn.

The address by Mr. Cowles is a brilliant and eloquent statement. He emphasizes—with perspective and understanding—the new challenges to our foreign policies and programs, and the role of our Government and our citizens in a restless and changing world.

I wish to call particular attention to the three changes in policy which Mr. Cowles considers necessary for our foreign aid programs. First is the need for Congress to authorize foreign economic aid on a 5-year, or at least a 3-year basis, instead of on a year-by-year basis. Second is the need to place less emphasis on military pacts as a condition for our aid to other nations. Third is the need to select individuals who will administer our foreign aid more effectively and carefully.

Mr. President, I want my colleagues and others to read and study this important statement by an articulate American. I ask that the text of Mr. John Cowles' commencement address at Gustavus Adolphus College, as published in the Minneapolis Star of June 5, be printed in the RECORD at this point.

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

SOME BASIC PROBLEMS IN THIS ERA OF CRISIS

(By John Cowles)

Perhaps it is only human nature for each generation to believe that it is living in a time of crisis, in an era that will mark a decisive turning point in world civilization. However, I am convinced that this is literally true in the case of your generation.

We are living in the most revolutionary period in all history, because we are not only in the midst of a scientific revolution, but also in the midst of worldwide political, social and economic revolutions as well.

We, as a nation, have not yet adequately adjusted our thinking to the realities that exist in the world today. We feel frustrated and confused, largely because we are still instinctively clinging to many outworn ideas which may have been valid at some time in the past, but which are not valid under today's new conditions.

In centuries gone by, there have, of course, been many wars and many revolutions, but important as those wars or revolutions appeared at the time, they involved only a relatively small part of the globe. Today, for the first time, we face problems which may not only involve the continued survival of our country in freedom, but literally the survival of civilization, and perhaps even of all human life on this planet.

One of these basic problems, the importance of which is grossly underestimated, is that of population growth. Few people comprehend either the rapidity and magnitude, or the implications of the current population growth throughout the world. This increase in population is the natural result of what medical science and public health measures have done to eliminate plague and pestilence throughout the globe, to reduce infant mortality, and lengthen the average span of human life.

BILLIONS OF PEOPLE

The underdeveloped countries are growing in population at a much faster rate than Western Europe or the United States. Forecasts indicate that unless we have a devastating nuclear war before the year 2000 arrives, and that is only a little more than one generation away, there will be more than a half billion Africans and 4 billion Asians. China alone, even within its present territorial boundaries, will probably pass the billion mark in population in about 10 years.

Let's consider India for a moment. For the free world, India is the most important country on the mainland of Asia. Unless India can achieve substantially higher standards of living, there is little possibility of India's surviving as a democracy, with freedom of speech, press, religion, and all the other liberties in which we Americans believe. India is making a valiant attempt to improve educational opportunities and step

up its output of food, manufactured goods and services, and is increasing its gross national product at the rate of around 3 percent a year.

However, the population of India is increasing at a rate of about 2 percent a year. Its population has grown more than 80 million in the last decade, so that the improvement in average income—the per capita income—is extremely small, only about 1 percent. India is running on a treadmill. Unless India's rate of population growth can be slowed down, as Japan has done with its rate, there is almost no likelihood that India can make really significant per capita economic progress. If India doesn't succeed in raising living standards, it will become a totalitarian, Communist state. If that happens, all the rest of the Asian mainland will also probably be lost to the free world.

Closely coupled with the population problem is that of race relations. We Americans simply must readjust our thinking and accept the fact that all peoples regardless of the color of their skin are equal in the sight of God and should be treated without discrimination as fellow human beings.

Many Americans fail to realize the fact that race riots and racial discriminations and hatreds, such as those that we have been witnessing recently in Alabama and Mississippi, are the most effective possible ammunition to help the Communists in their efforts to take over Africa, Asia, and Latin America. Our failure to solve race problems here probably has done and is doing the United States more harm than all the military secrets that Communist spies have ever stolen from us.

If we are going to be able to achieve the kind of conditions in the world under which a nation with our purposes and goals can live and prosper in freedom, we must eradicate race prejudice in the United States, so that we can convince the peoples with colored skins on other continents that we regard them as friends and not as inferiors or enemies.

FOREIGN AID NEEDED

Currently, a sizable and perhaps growing number of Americans are advocating a reduction in or the elimination of our foreign economic aid to the underdeveloped nations. In my opinion, they have not thought through the consequences of what they are proposing.

If Asia, Africa, and much of Latin America are taken over by the Communists, I do not believe that the United States and the nations of western Europe could long thereafter continue to live in freedom. We are so completely dependent upon minerals and other raw materials from Asia, Africa, and Latin America that if we were cut off from them, drastic economic controls of all kinds would have to be established here in the United States, and the areas in which we now have freedom of choice would rapidly shrink. I don't believe that under such conditions even civil liberties could long be maintained here in a "fortress America."

Admittedly many mistakes have been made in our foreign aid policies. During the period when John Foster Dulles was Secretary of State, we grossly overestimated the importance of military alliances with the weak, new countries. Dulles initially took the position that it was immoral for a country to want to be neutral in the cold war. He ignored the fact that even the United States, when it first won its independence from Great Britain, wished to follow a course of neutrality, and, in the words of George Washington's Farewell Address, "avoid all entangling foreign alliances."

Most of the military alliances that we made with the weak, newly emergent independent nations have been of little value to us. I am not, of course, referring to the NATO alliance with the western European countries, which was established under President Truman while Dean Acheson was Secretary of State, but rather to the later military alliances with the feeble new countries in other parts of the world. NATO is, of course, the keystone of our whole policy of collective security.

To accomplish what we wish through foreign aid, three changes should be made in our overall policy: First, the Congress should authorize this foreign economic aid not on an annual year-by-year basis, but on a 5-year, or at least 3-year, continuing basis so that our funds can be spent on longer range projects which will produce permanent benefits in raising the living and educational standards of the peoples we are trying to help. The fact that we took this long-term view was one of the reasons for the Marshall plan's great success.

Second, less emphasis should be placed on whether or not the recipient nations sign military pacts with us. The fact that we ask them to do so frequently gives them the impression that our controlling motive is simply to get military allies against the Communists rather than because we want to help them improve their social, political, and economic conditions.

Third, we need to select the individuals who are going to administer our aid in foreign countries with much greater care. Some of our representatives have been unsuited for their jobs or even downright incompetent. We have as a result wasted a sizable part of the funds in some countries.

BENEFITS FOR ALL

Arnold Toynbee, who is perhaps the world's greatest historian, has suggested that the 20th century may be remembered not as the age of the atomic bomb, but as being the first time when man had ever thought it practicable to distribute all the benefits of civilization to all people.

In our smugness, we forget that, while the average American family last year had an income of $6,900, half the peoples of the world are living, or rather simply trying to stay alive, on annual incomes of $60 or $70 apiece.

If a lot more Americans were to visit India and see the thousands of Indians sleeping on the sidewalks of Calcutta or Bombay because they have no homes or shelter, if more Americans were to see the degraded poverty in Egypt, if more realized the utter lack of educational opportunities in most of the world, I have no doubt that we would support a foreign economic aid program of the magnitude that we should.

It will be tragic for civilization if the United States and Canada and the rich nations of western Europe are not sufficiently enlightened and generous to help the less fortunate peoples in other parts of the world develop their economic potentialities and raise their educational and living standards.

Perhaps some of you are surprised that I did not start my remarks by discussing the danger of nuclear war and the need for arms control under a system of mutual inspection. It seems to me hardly necessary to point out to a college audience that this, along with population control, is a paramount need of our time.

I deeply hope that we are going to be able to make real progress toward reaching an agreement with the Communists on arms control, but the problems involving mutual inspection are incredibly complex. Even if we hopefully assume that there will be good will on both sides, it will take, at best, a long period of discussion before a detailed agreement could be reached and put into effect.

Even if an agreement were achieved with Russia on arms control, with mutual inspection and with successive step-by-step reduction in armaments, obviously Red China would also have to be included. We certainly should not disarm ourselves unless we knew that China, as well as Russia, was doing the same thing.

Our eventual goal—that of world peace under world law—is at best far, far in the future. An agreement on a system of arms control, with mutual inspection, to be followed by a progressive reduction in national armaments, would in itself be the first giant step in creating a system of world law.

In the meantime we must keep militarily strong. I believe we probably should increase our own military expenditures, perhaps even beyond what President Kennedy has proposed.

Many Americans are still suffering from a wide variety of illusions. There is little hope of our making substantial progress toward ultimate solutions of basic problems until these illusions have been eliminated.

Let me refer briefly to a couple of them. A sizable group of Americans, for example, seems to think that big government is our greatest single menace. They like to quote Thomas Jefferson, who, a century and a half ago when the United States was a small, isolated, rural, agrarian society, said, "That government is best which governs least."

ENORMOUS CHANGES

We have had, however, such revolutionary changes in conditions since Jefferson's time that those people who today think that big government is our greatest menace are utterly unrealistic, and are by implication advocating anarchy.

In the horse and buggy days, we didn't need traffic officers or stop-and-go traffic signs. Does anyone question that we need them now? Does anyone think that we should get along now without a pure food and drug administration or an agency to prevent pollution of our rivers and streams?

Before radio broadcasting had been invented, we didn't need a Federal Communications Commission to assign specific wavelengths to specific broadcasters. Before airplanes were invented, we didn't need a Federal aviation authority to regulate air traffic.

Today, however, big government is necessary and inevitable. One administration may be more wasteful and inefficient than another, but regardless of which political party is in power, government is certain to grow bigger, because only the government can perform many of the new functions that a changing and developing society requires.

Many Americans also make a fetish of what they call our national sovereignty. They do not want to yield any of it to any international authority. They overlook the fact that over the years we have given up, in some degree, our sovereignty over many things; for example, over radio broadcasting and air travel, simply because the march of events compelled us to do so.

Broadcasting wave lengths are now allocated by international agreement to the United States and the other countries to avoid jamming and chaos. Similarly we have international control over aviation safety regulations and have established uniform international procedures under which American airlines fly over or land in Germany or Japan or Italy, while foreign planes must conform to similar internationally agreed regulations when they fly here.

For many years we have had an international postal union which prescribes the arrangements under which mail is sent from one country to another. We also have an international health organization which has made uniform rules as to the inoculations and vaccinations of persons traveling from one country to another.

Science is changing the world at such an incredibly rapid rate that it is inevitable that we are going to have to give up our so-called sovereignty in other fields.

More than 90 percent of all scientists who have ever lived since the dawn of history are

living today and producing a torrent of new discoveries. It shortly will be possible for man to control climatic conditions. Unless there is international control, one country by diverting rainfall could create floods or drouth in another country. It would be intolerable not to establish international control over this weather-changing capability.

YOUTH'S OBLIGATIONS

There can be no such thing as absolute national sovereignty when nations are potentially capable of shooting intercontinental ballistic missiles, carrying hydrogen warheads, to countries thousands of miles away.

There can be no such thing as absolute national sovereignty when unborn babies may be adversely affected by radioactivity stemming from atomic explosions set off halfway around the globe. There are degrees, but only degrees, of national sovereignty in the world today. There will inevitably be less in the world of tomorrow.

You young men and women who are graduating here today have a deeper obligation to your country than do those of your generation who have not had the benefit of a good college education.

You can pay off your obligation in only one way. That is by active participation and eventual leadership in those organizations that are going to mold the shape of things to come—organizations that are endeavoring to improve the community, and the State, and the Nation, and the world.

That means that you should join and actively participate in church organizations and civic groups, in foreign policy clubs, in leagues of women voters, in PTA's, in chambers of commerce, and in farm or labor or political organizations.

Many of you will, I hope, go actively into politics, for politics is simply the exercise of the art of self-government, and in that pursuit we need our ablest men and women. Don't assume that you have to wait until you are middle aged before you can influence the course of events; you can begin to do it now.

KEEP OPEN MINDS

But above all, keep open minds and stay flexible enough to modify your previously held opinions in the light of changed conditions and new developments.

Dr. Edward Teller, one of the world's most distinguished nuclear scientists, told me his definition of an optimist. "An optimist," he said, "is someone who believes that the future is uncertain." Well, I am an optimist. While I thoroughly believe that the future is uncertain, I also have a deep conviction that if the American people become sufficiently well informed our country will do the right things.

You are commencing your adult lives at the most critical period in human history. Don't forget that history is made by dedicated minorities, not by complacent majorities. Yours is the challenge to see to it that not only our country, but that the whole human race, survives, and survives in freedom.

VISIT TO THE SENATE BY CANADIAN DELEGATION TO THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Mr. AIKEN. Mr. President, each year for several years it has been our privilege to have as our guests in Congress Members of the Canadian Parliament. We have with us today 18 Members of the House and 6 Members of the Senate. We are always glad to have the Canadian delegation with us. We consider our Canadian friends the best friends we have anywhere. The following members are present in the Chamber, and I take the opportunity to introduce them to the Senate.

SENATE

Hon. Mark R. Drouin, Progressive Conservative Party (Quebec), Speaker of the Senate.

Hon. W. R. Brunt, Progressive Conservative Party (Ontario).

Hon. Arthur L. Beaubien, Liberal Party (Manitoba).

Hon. Sydney J. Smith, Liberal Party (British Columbia).

Hon. J. E. Lefrancois, Liberal Party (Quebec).

Hon. Lionel Choquette, Progressive Conservative Party (Ontario).

HOUSE OF COMMONS

Hon. Roland Michener, Progressive Conservative Party (Ontario), Speaker of the House of Commons.

Hon. Paul Hellyer, Liberal Party (Ontario).

Mr. Egan Chambers, Progressive Conservative Party (Quebec).

Mr. Paul Martineau, Progressive Conservative Party (Quebec).

Mr. J. M. Forgie, Liberal Party (Ontario).

Mr. Gordon H. Aiken, Progressive Conservative Party (Ontario).

Mr. C. A. Best, Progressive Conservative Party (Ontario).

Mr. R. C. Coates, Progressive Conservative Party (Nova Scotia).

Mr. Frank Howard, Cooperative Commonwealth Federation (British Columbia).

Mr. Orville H. Phillips, Progressive Conservative Party (Prince Edward Island).

Mr. J. R. Taylor, Progressive Conservative Party (British Columbia).

Mr. O. J. Godin, Liberal Party (Ontario).

Mr. C. R. Granger, Liberal Party (Newfoundland).

Mr. H. "Pit" Lessard, Liberal Party (Quebec).

Mr. Rémi Paul, Progressive Conservative Party (Quebec).

Mr. Harris G. Rogers, Progressive Conservative Party (Alberta).

Mr. R. R. Southam, Progressive Conservative Party (Saskatchewan).

Mr. G. M. Stearns, Progressive Conservative Party (Quebec).

We are delighted to have the Canadian delegation with us today and tomorrow. I believe another activity, which we hope will be equally interesting to our guests, is planned for Saturday. [Applause, Senators rising.]

Mr. MANSFIELD. Mr. President, I wish to join the distinguished Senator from Vermont, who has led the Senate group so ably in our discussions with our Canadian colleagues for the past several years. We are always honored when a delegation from another country comes to visit us. We are especially honored when our Canadian friends do us the honor and the privilege of meeting with us in this Chamber. We hope your stay will be happy. We hope that we will be able to reciprocate at least in part for the many kindnesses and courtesies and privileges which you have extended to us on the visits which we have made to your delightful and wonderful country. It is good to have you with us. We hope that this will be just one visit of many.

Mr. DIRKSEN. Mr. President, in a world that is so full of ugly fevers and contagion today, we can think of nothing quite so comforting and so reassuring as to have a delegation from our neighboring country come to visit us, to whom we can refer with earnestness and in truth and in fact not only as neighbors, Mr. Speaker, but as friends.

It brings a real note of comfort, as with our eyes, as Ishmael did of old, we contemplate the horizons of the world and a sea of troubles, to consider how fortunate we are. We hope that you deem yourselves equally fortunate that we are your neighbors. It is great comfort that we can live together in amity and concord without troops and without any other visible military evidences, because of the understanding that we have had for such a long time.

As minority leader, I welcome you to the Senate.

Mr. CAPEHART. Mr. President, I merely wish to say to these gentlemen that it is a pleasure for us and a great honor to have you here. We hope that you will come very often.

Mr. KEATING. Mr. President, as a representative of the State of New York, a considerable part of which borders on our great friends to the north, I wish to extend greetings to this distinguished group. I have spent many happy hours in Canada, and I have always enjoyed my visits there. I have many Canadian friends. I am sure that many of you gentlemen have close friends in the United States. My city of Rochester is to a large extent populated by people who were born in Canada and who cherish their ties to the north. We have very close relations with our Canadian neighbors. The Rochester Yacht Club sponsors a very spirited contest, as you probably know, with our Canadian friends, in which we have been frequently bested, but we never give up.

I am delighted to note that so many of our guests from the north have elected to sit on this side of the aisle in the Senate. There are a great many vacant chairs here, and we welcome them on this side of the aisle. We congratulate them on their good judgment, and are perfectly delighted to have some of these vacant chairs filled.

I know our friends will not take it amiss when I say that if we cannot have more Republicans then there is no one else we would rather have in these chairs, no one else in whose presence we would take greater pride or pleasure than our good friends from the north.

Mr. HUMPHREY. I too wish to join in extending a friendly and cordial welcome to our fellow parliamentarians from Canada, who are our good friends.

After listening to the lucid comment of my friend from New York, I am reminded of one part of our foreign aid and foreign policy programs, the exchange program. As a Member of the Senate on this side of the aisle I would not mind proposing an exchange for

some of the regular attendants on that side of the aisle for those I see presently on that side of the aisle. [Laughter.]

We welcome you and we want you to know that your presence in the Senate is a source of satisfaction and joy to us.

My State of Minnesota borders on Canada. Many times we have traveled to the great city of Winnipeg. Many of our people make regular journeys over there. Many of your people come to Minnesota.

We are at the other end, so to speak, of the St. Lawrence Seaway. We are joined to you not only by the great land mass of the North American Continent, but also by the great St. Lawrence Seaway.

We wish to express our appreciation to our friends from Canada for their leadership in the consummation of this, one of the great public works projects of all time.

Finally, I express my appreciation to them for their leadership in the councils of diplomacy. Canada has demonstrated mature statesmanship, particularly at the United Nations. That leadership has had a very good effect and a very good conditioning upon the deliberations of the United Nations, and we thank you for it. We herald you also for your tremendous economic growth in recent years, and the capacity you have demonstrated of being able to roll with the punches of your economic growth and expansion. We congratulate you upon your prosperity and upon your sharing of the fruits of your production. We also congratulate you upon your population growth. Surely in your great country there is so much room for so many good people.

Frankly, we are happy, as the minority leader said, in these trying days, to have such wonderful, good friends, even when you occasionally tell us things that we may not want to hear, even though we may deserve to hear them. We shall reciprocate in kind but in a kindly way.

Mr. JOHNSTON. It is a wonderful thing in this troubled world to have representatives from another nation come to visit us, particularly to have these visits made by people who believe as we do and work along with us in our efforts to make this a better world. If all the nations of the world believed as you do it would be a much better world to live in. So we are thankful today to have you come to visit us here in the United States, as we face the problems that we are facing, and realize that we have you right to the north of us, and that you are our right hand, so to speak, in helping solve the problems of the world. May you continue to grow and not only prosper materially but also prosper in giving all the people the liberties that belong to them. God bless you and may you continue to grow is the wish of all the Senators at this time.

Mr. JAVITS. Mr. President, I wish to join my colleague from New York in welcoming the Canadian parliamentarians, and to express on this rare occasion my appreciation for the many longstanding favors conferred upon my State through my person.

When I was attorney general I had the opportunity to cooperate with your authorities in finding and punishing rascals in the security field. I received enormous cooperation from your officials. During the war, as an Army officer, I worked with your Minister of Munitions. In more recent days I had the honor of dining with Prime Minister Diefenbaker and his Cabinet, including the late departed and lamented Mr. Smith, a very dear friend of mine, and a wonderful man.

I have also visited and participated in the inauguration of power projects connected with the seaway, and in the Niagara frontier area, where we are working together.

As my tribute, as a Senator from the State of New York, to the great Dominion of Canada, a great, stanch, and true friend, as has been so eloquently stated by my colleague, the distinguished junior Senator from New York [Mr. KEATING], I may say that we have demonstrated that free peoples can work together in a discipline, notwithstanding the fact that self-interest may often dictate our pulling apart.

In the final analysis, no matter how frank you may be with us—and even critical at times—we all know that, like a couple who are married, this has all got to be lived with until there is a better day or a sunnier side to our relations, because we are indissolubly linked together.

I think it is this deep conviction which we all carry, and which is so particularly true in the States which border on Canada, that represents one of the enormous strengths of freedom throughout the world. I do not think any nation in the world, even behind the Iron Curtain, doubts that Canada and the United States will always stand together, and that any hopes of separating them in any way are bound to be dashed. This is one of the most enormous strengths which freedom has.

I am delighted to welcome you and to speak to you in that spirit.

Mr. ALLOTT. Mr. President, I have had the honor this morning, in the absence of the cochairman of our delegation, the Senator from Vermont [Mr. AIKEN], to welcome our distinguished visitors to Washington and to the United States. To do this again would be, indeed, surplusage. However, for the RECORD, I think perhaps it should be said that this particular meeting has been of unique value, a value which is not found in any other type of meeting. That unique value is that Members of the House of Representatives and Members of the U.S. Senate, and Members of the House of Commons and Members of the Canadian Senate, are able to meet together and discuss frankly every phase of our relationships—our cultural relationships, our tourist relationships, our economic relationships, our common interest in matters of defense, our common interests in the salvation of freedom throughout the world; and to do this frankly, without any fear of having spoken something which is contrary to the spirit of our respective governments, because none of us can speak for our governments, even though two distinguished Speakers of the Parliament of Canada are here.

So if in the days ahead it should be asked what we hope to accomplish by this meeting it may be said we hope to accomplish the great area of understanding which friends seek—an understanding which is based upon giving and taking, and giving and forgiving; an area which we know will lead to more fruitful relationships in every respect between our countries.

The unique value of this meeting is that we meet without fear of doing something which may be taken as binding upon our governments. We meet in a spirit of friendship and frankness, which brings to all of us an education as to the desires and the possibilities of the future. That is something which we need.

Again, I welcome our Canadian friends to Washington and to the United States.

Mr. FONG. Mr. President, I join with other Senators in welcoming the Members of the Canadian Parliament to our Hall and to our country. I was a member of the Interparliamentary Committee which went to Canada in February. We received from the Members of the Canadian Parliament a most cordial and hospitable welcome, a welcome much unlike, as I told them, the first welcome I received from the Canadian people, when I was deported from Canada in 1929. That incident took place when I was a member of the ROTC team from the University of Hawaii. We went to Camp Perry, Ohio, and then crossed the Detroit River in an attempt to go to Windsor. At that time the Canadians told me I had to post a bond if I wanted to enter Canada. So I returned to the United States, at the invitation of the Canadian Government, and they paid my transportation fare of 5 cents across the Detroit River. [Laughter.]

Mr. President, the meetings which the Interparliamentary Committee held in Canada in February were most fruitful. I was much impressed with the earnestness and the seriousness of the views of our neighbors across the border. I know that their problems and our problems can be solved most amicably. I came away from that meeting with a better concept of their problems, knowing that the differences which exist between the United States and Canada are minor compared with the many things which we have in common.

We in this hemisphere have mutual problems, and we know that by discussing them together from time to time, as we did in Canada in February, and now, again, in the United States, we shall be able to solve them.

I look forward to long lasting friendship and amity with the Canadian people. I know that this friendship will endure to all eternity. I thank the representatives of the Canadian Parliament for coming to visit us. I know that our deliberations will be fruitful for both the United States and Canada.

Again, I convey my welcome to the Canadian Parliamentarians, and am grateful to them for having taken the time to come and visit with us.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Chair joins in the hearty welcome accorded by Senators to our brethren from our northern neighbor; and trusts that their sojourn in our Capital City will prove both pleasant and profitable.

INCREASING THREAT OF FOREST FIRES

Mr. KUCHEL. Mr. President, yesterday the Senate approved the appropriation bill for the Department of the Interior and related agencies. That bill included an amendment which I had previously offered successfully in the Committee on Appropriations to provide an additional $955,000 for forest fire protection in southern California. Four national forests are in that area of the State, from which I come. In the last several years, Federal emergency moneys of $4 to almost $5 million a year have been spent in our State to stamp out forest fires after they had started. My amendment would permit the Forest Service a greater opportunity to prevent fires from starting or from spreading.

This has been an exceedingly dry season in the West. There is an increasing hazard of fire damage and fire destruction in my State during the remaining months of this year and thereafter.

Recently, from San Francisco, a wire service article told of the growing threat of fire damages to the Western States of America. In addition, the Los Angeles Times of May 15, 1961, commented editorially on the hazard of forest fires to the people in the southern California area. I ask unanimous consent that the editorial, entitled "A Fire Alarm on Capitol Hill," published in the Los Angeles Times of May 16, 1961, and the article entitled "Western States Facing Forest Fire Threat," published in the Los Angeles Times of June 6, 1961, be printed at this point in the RECORD.

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

A FIRE ALARM ON CAPITOL HILL

County officials have turned in an urgent alarm to Capitol Hill for additional fire protection funds for the Angeles National Forest. There is no time for delay, they warned the Congress, for the most dangerous fire season in history has already begun.

The spectacular Hollywood Hills blaze was merely a prelude to the brush and timber fires expected throughout the Los Angeles County this year.

Appearing before a Senate Appropriations Subcommittee, County Supervisor Frank Bonelli pleaded for an expansion of the Federal protection in the national forest, particularly the building of more access roads. Without such roads firefighters in the rugged San Bernardino Mountains are severely handicapped and often helpless.

The importance of additional fire roads has also been stressed by Federal forestry officials, said Senator THOMAS KUCHEL, who urged the Senate committee to take prompt action to strengthen fire defenses in California.

Bonelli asked approval of a 10-year, $30 million road construction program as "the greatest single factor toward the attainment of the goal for fire control, fire suppression and fire prevention."

He told the appropriations subcommittee that since 1948 the county has spent $14 million of its own funds to help reduce fire losses in the national forest. Without this local expenditure the terrible fire devastation would have been even greater.

The cost to county taxpayers is, of course, far more than the $14 million spent to supplement the meager Federal allocations.

WESTERN STATES FACING FOREST FIRE THREAT: SOUTHLAND LOSS EXPECTED TO BE HEAVIEST; OFFICIALS DESCRIBE SEASON AS SEVERE

SAN FRANCISCO.—An explosive situation is building up in the West.

From the Rocky Mountains to the Pacific Ocean, from San Diego to Seattle, forest and brush fires will wipe out giant portions of timberlands, stock ranges, and vacation places this summer, State and Federal foresters predict.

Forestry officials describe the coming season as severe. They are prepared for the worst.

RAINS CAUSE ALARM

In some areas a lack of rainfall has caused alarm. In other areas too much rain has caused alarm.

Officials say southern California—in spite of all they can do—will lose the most to fires.

In northwestern areas where rain has been plentiful through the winter, officials say high grass will dry up in the summer, causing extra caution to keep down flash fires.

California, Oregon, Washington, Idaho, Utah, and Nevada have pressed through the winter for more money, more firefighting crews, and more equipment.

VACATIONERS A THREAT

Tourists and vacationers will be flocking to these States this month. Other than lightning, the visitors are the greatest threat to forests.

Forestry services have not been idle. Work crews from county and State prison honor camps have been carving new firebreaks and trails. Underground water supply tanks and new lookout stations have been added to sensitive areas. More men have been trained in ground and aerial firefighting.

The most dangerous areas, officials say, are in southern California, Idaho, and Utah.

WATER PROBLEM

As one Federal forester put it, "How can we fight a fire in southern California when we have trouble supplying drinking water to our camp sites?"

To combat the threat, southern California foresters will rely more on aerial firefighting, using chemicals instead of water. Helicopters will be used to transport men and equipment to fire scenes.

An ultra-dry winter in Utah was severe for the State's 8 million acres of forested and watershed land. Utah, too, has taken to the air for fire attacks.

AERIAL TANKERS

E. M. Bacon, Chief of the Forest Service's division of fire control, said three air tankers will replace the one used last year. They will be based in Salt Lake City. One helicopter with 10 trained men will be set to handle the first assault.

Fire control officer A. E. Spaulding of the U.S. Forest Service, which protects about 16 million acres in Oregon, says his agency is preparing to handle a situation "as bad as last summer, when 7,000 men were fighting fires at one time."

He has added about 1,200 full-time lookouts, smokechasers and crewmen for a total of 4,500 full-time employees.

Idaho State Forester Roger Guernsey has predicted one of the worst fire seasons on record.

DISMAL OUTLOOK

One of Idaho's plans is to use a new fire retardant made from seaweed. Guernsey said this product is so new that his men don't have proper nozzles with which to spray it yet.

Washington's outlook is dismal, too.

"We're looking forward to the summer with a feeling of fear," division supervisor Loren Tucker said.

Tucker said high grass is a major danger in Washington. The State lost 9,000 acres to fire last year, Tucker said.

In Nevada, State Forester George Zappettini said campers, motorists and residents in the Sierra Nevada timberlands will have to exercise extra caution this year.

DEATH OF TOM WALLACE, EDITOR EMERITUS OF THE LOUISVILLE TIMES

Mr. MORTON. Mr. President, on Monday of this week, Mr. Tom Wallace, distinguished editor emeritus of the Louisville Times, passed away at his home near Louisville, Ky., at the age of 86. Mr. Wallace was one of the most remarkable gentlemen I have ever known, and his death brings to an end a rich and illustrious career whose influence extended far beyond the field of journalism.

He belonged to the breed of newspaper editors dedicated to high principles, integrity and honor, absolutely fearless, who stated their beliefs in hard-hitting fashion without regard to where, or on whom, the chips might fall. Despite this fierce devotion to personal and journalistic integrity, Mr. Wallace was a delightfully gentle person of great charm, culture and humor.

The name of Tom Wallace is probably best known among the nation's conservationists, and his vigorous efforts to conserve America's natural attractions for the generations to come are brilliant chapters in American conservation.

In Kentucky, his fight to spare Cumberland Falls from development for electric power generation is legendary. He battled strong power interests and solid local support for years, and won the fight. Today, Cumberland Falls State Park is one of the premier scenic attractions in the Kentucky park system.

Mr. Wallace was tremendously interested in Latin American affairs and was among the first to propound hemispheric solidarity. He traveled extensively throughout Central and South America, becoming expert in hemispheric customs, politics, people and resources. He once observed that the United States, not Latin America, should bear the blame for the lack of neighborliness between ourselves and our friends to the south.

The sharpness of his pen was matched by the keeness of his words, and the speeches of Tom Wallace frequently made more news than if written for his beloved Times. Whether speaking or writing, mincing words was not a part of his character.

The list of honors bestowed on Mr. Wallace is long and significant. Among

the most significant are the Tom Wallace Chair of Conservation in the Biology Department of the University of Louisville; the Courier-Journal and Times Tom Wallace Fellowship for the exchange of young American and Latin American journalists; the Tom Wallace Forestry Award recognizing good farm and woodland practices; the Americas Foundation Award for outstanding contributions to hemispheric relationship, and the Maria Moors Cabot Gold Medal for his promotion of Latin American amity.

I ask unanimous consent to have printed in the RECORD at the close of my remarks articles and an editorial published in Louisville newspapers, and which describe in full his remarkable career and eulogize his passing.

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

[From the Louisville Times, June 6, 1961]

TOM WALLACE: EDITOR MADE NEWS AGAIN AND AGAIN IN HIS 60-YEAR CAREER, BOTH BY WORDS AND DEEDS

On the public platform as well as on the editorial pages, Tom Wallace, who died yesterday afternoon, made news again and again during his long career, with his words and his deeds.

The conservation and improvement of natural resources was one of his deepest interests, and 32 years ago, addressing a sportsmen's convention in Frankfort, he issued this warning:

"The time will come, if vandalism proceeds, if conservationists are called mere visionary fellows, when the hills surrounding Pineville and Harlan on the Cumberland River, those above Irvine and Beattyville and Whitesburg on the Kentucky River; those about Pikeville on the Big Sandy, will be denuded—and when the hills all over the State will be bare and bleeding under the pelting of every rain."

He observed that those hills "will produce merchantable timber and provide range for game, but will not produce crops or provide pasture."

In 1933, speaking to the National Conference of State Parks, Wallace predicted that the time would come when parks would provide a chain of comfortable way stations across the country so that the traveler who has the time, and can spend a few dollars a day for his transportation and accommodation, may travel from the Atlantic coast to the Pacific coast, and from the lakes to the gulf, stopping each night at a different State park, enjoying the simple, but substantial, comforts of a park inn.

ATTACKS TIMBER BARONS

In 1955, when the Stearns Coal & Lumber Co. applied to the Federal Government for permission to stripmine land in the Cumberland National Forest, Wallace was called as a witness at a Department of Agriculture hearing at Stearns, Ky. He said:

"The timber barons have destroyed the forests of this region and have laid the curse of poverty on it. Now they are whining to get into the national forests because they failed to care for their own land. This whole hearing is shadow boxing and a waste of time because it has no bearing on the real issue."

He said the real issue was "protection of the watershed."

The Stearns firm did not get the permission it sought.

STREAM POLLUTION

On the issue of stream pollution, he did not hesitate to criticize Kentucky's late Senator Alben Barkley. That was in March 1941.

The Barkley-Spence stream pollution bill had been deadlocked in the previous session of Congress, over an amendment which had been offered by then Representative KARL MUNDT of South Dakota. The amendment would have given the Federal Government power to compel States and industries to cooperate in eliminating stream pollution. Wallace contended that the bill had no real force without this amendment. Then he said:

"The tooth in that bill was the Mundt amendment, from which the House refused to recede, and the legislative dentist who extracted that tooth—without explaining why he extracted a sound tooth—was the Senate majority leader, Alben W. Barkley, of Kentucky.

SCENIC BEAUTY

In 1935, a target of a Wallace criticism was the Mount Rushmore memorial in the Dakota Black Hills, with its giant carvings of the faces of Washington, Jefferson, Lincoln and Theodore Roosevelt.

He made his criticism face-to-face with the sculptor, Gutzon Borglum, at a State parks conference in Virginia. Borglum had said that such carvings were an integral part of natural scenic beauty. Wallace said that he was sorry to disagree with a great artist, but that they were horrible.

He deplored artificial improvements on nature generally, and declared: "All such things are an outrage. They don't belong, anyway."

No battle was waged more fiercely by Wallace than the one to keep the scenic beauty of Cumberland Falls from being destroyed by the Samuel Insull interests, which proposed to develop the falls for waterpower.

Out of the hundreds of thousands of words Wallace wrote and spoke against Insull and those who supported his proposal, the following statement is a sample:

"Cumberland Falls should be saved, not only because it belongs to the people of Kentucky and Eastern America, but also because its revenues to Kentucky (as a tourist attraction) would be greater annually, in the near future, than the cost of building the proposed powerplant.

"In Kentucky we have an Anti-State Park Commission, headed by an antipark Governor, which is under agreement to aid a power company to destroy Cumberland Falls as a natural cataract."

Mr. Wallace won that fight.

CALLED SELF ALARM CLOCK

Once, in a speech at Eastern Kentucky State College, Wallace set forth his role in society as being an "alarm clock." This is what he said to the students at Eastern, in June 1929:

"A few of us who are not seeking political office, are not obliged to consider what this or that corporation might think about what we say, insist upon speaking aloud in behalf of this generation and future generations, on certain aspects and assets of Kentucky.

"By so doing, we hope to perform the function of one of the most disliked but most useful pieces of mechanism in the list of modern conveniences, the alarm clock."

At the same time, Wallace loosed a shaft at a practice he deplored again and again: quarrying in the hills at Frankfort. He said:

"How unawakened to the value of its beauty Kentucky has been, and is, may be realized by any thoughtful person who visits our State Capital, where timbered cliffs which should have been forever the framing of a picture Frankfort for a century presented, are being blasted down to get limestone—the most abundant commodity in Franklin County."

Speaking later to the Frankfort Garden Club, Wallace said that operating quarries at the doors of Frankfort was "like burning the parlor furniture to cook the pig, instead of going to the kitchen for fuel."

LATIN AMERICA

When he was president of the American Society of Newspaper Editors in 1941, Wallace summed up in the following his views in another of his great fields of interest: Latin American affairs. This was at the ASNE national convention in Washington:

"The fault of the failure of American neighbors to be truly neighborly has been more ours than that of Latin Americans.

"We have indulged, maladroitly and mistakenly, a superiority complex with regard to Latin Americans who as a result have shrugged shoulders."

He said Latin Americans "have known us largely through hard-boiled concessionaires whose Government, too often, has the concessionaire point of view." And he added: "Too many of us have known them through Richard Harding Davis and O. Henry."

NEWSPAPERING

On the subject of "bootlicking" editorial pages, Wallace had this to say, in 1929 at the Illinois Press Association meeting:

"A fundamental problem of every newspaper is whether the newspaper shall stand up and fight, or lie down and be walked over and 'lick the bloomin' boots of 'im that's got it.' The commodity being in this case money, social influence or political influence.

"Happily—and this applies to the small city daily or weekly as well as to the metropolitan newspaper—bootlicking is not essential to welfare.

"It may—it often does—pay. But there are other ways of earning bread. The prostitution of an enterprise, more often than that of an individual, runs a long and level course of prosperity. It is comparatively easy for a newspaper to achieve the somewhat deplorable dignity of the harlot.

"But for those who prefer the fortunes of occasional battle to the recompense of occupational surrender, militant journalism offers a good deal, materially as well as spiritually."

"PUNK" WITHOUT "SPUNK"

At an Indiana University journalism conference in 1938, he said:

"An editorial page without spunk is punk.

"Most dead editorial pages—and many are dead—were killed by the owner of the paper. The owner who does not want his editorial page to say anything he would not approve should write it—or not complain if it is dead when he has killed it. An editor can't be valiant in print and a valet at heart.

"When, or if, free speech—of which the editorial page is the symbol and the soul—is impinged upon ever so slightly by legislative processes, the lifeblood of democracy will begin to flow from the heart toward the earth."

When he retired in 1948, Wallace wrote his farewell editorial, and it was characteristically brief, unsentimental, and to the point. Here it is, in full, from the Louisville Times of September 14, 1948:

"In conformity with a plan of the Times formulated and published some years ago, the editor of the Times retires tomorrow. He does his last work as editor today.

"He wishes to express appreciation of the generous support he has had from the public in his efforts to make the Times editorial page useful. He desires to express appreciation of the high quality of the work of his associates, especially some years ago, Russell Briney—who becomes editor of the Times tomorrow—and the late Harry Bloom, more recently James C. Hutto and Vance Armentrout."

AWARDS CONTINUED

Retirement as editor was not really retirement, because from then on until his

final illness in 1959, he wrote a column three times a week for the editorial page, ranging far and wide for his subjects.

Nor did he cease to get awards and honors. In 1952, the Woodmen of the World presented him with a plaque for two of his great life's works: Support of conservation and of friendship between the Americas.

When he received the plaque he said:

"I thank humbly and with deep appreciation the Woodmen of the World for a precious gift of golden words which time will not erase, phrases which, fortunately for me, time will not modify. * * *

"I thank each of you who has been reckless to be kind."

[From the Louisville (Ky.) Courier-Journal, June 6, 1961]

EDITOR WHO WAGED A LIFELONG CRUSADE

Tom Wallace epitomized a quality which we like to think is typical of Kentucky at its best, though it was displayed by Roman senators and by Greek philosophers. It was the quality of character. There was a ruggedness of mind and purpose about him which may well have come down directly from pioneer Kentucky ancestors. Yet his recognition of problems of the modern world made him an effective man of his time.

Never for one moment interested in personal preferment or touched by political ambition, Mr. Wallace judged men in authority by his own high standards. He was never overawed by persons, but was a deep respecter of principles. Kentucky owes him an enduring debt for his rescue of Cumberland Falls from imminent destruction in the 1920's. The whole Nation knew him as a doughty fighter for conservation in all its forms.

He served the Louisville Times for many years as a distinguished editor, and in his later days as editor emeritus. The Courier-Journal joined the Times and WHAS in honoring him through two continuing programs that bear his name. One is the Tom Wallace Fellowship, offered annually through the Inter-American Press Association for the exchange of young journalists between Latin America and the United States. (A better understanding between the Americas was one of his strongest causes.) The other program is the Tom Wallace Forestry Award. This prize goes each year to a Kentuckian resident who follows in his own farm and woodland operations the precepts Tom Wallace was tireless in preaching.

A keen and even ruthless fighter for principle and a man of tough integrity, Mr. Wallace was at the same time a person of cultivation, charm, and of a quiet but delightful humor. The papers with which he was so long and honorably associated join his State and his Nation in mourning him.

[From the Louisville (Ky.) Courier-Journal, June 6, 1961]

TOM WALLACE, 86, EDITOR EMERITUS OF TIMES, NEWSMAN 60 YEARS, DIES—RITES THURSDAY AT SHELBYVILLE

Tom Wallace, editor emeritus of the Louisville Times and a newspaperman whose influence extended beyond the confines of his own community, and continent, died at 1 p.m. yesterday. He was 86.

The internationally known writer and ardent conservationist was active in his post as editor emeritus until early 1959, when failing health forced him to curtail his regular visits to his office at Sixth and Broadway.

Wallace, a native of Crittenden County, died at his farm home at Prospect.

FUNERAL THURSDAY

The funeral will be at 10:30 a.m., Thursday, at the Shannon Funeral Home in Shelbyville. Burial will be in Grove Hill Cemetery there.

A newspaperman for nearly 60 years, Wallace became editor of the Times in 1930 and editor emeritus in 1948.

Earlier, he served on the Courier-Journal as an associate of Henry Watterson, about whom he delighted to reminisce. He made Watterson the subject of a widely quoted article in the Saturday Evening Post.

ON COURIER EDITORIAL STAFF

Wallace was one of the last close associates of the famed "Marse Henry," who had invited him, at 31, to become the youngest member of the Courier-Journal's editorial staff because Watterson wanted "the point of view of youth."

After Watterson resigned, Wallace left the Courier-Journal to become chief of the Times' editorial page. He held that post 7 years before becoming editor of the Times.

As a young man, Wallace worked as a Richmond, Va., bookkeeper for a short time, and also worked briefly with an ice company in Shelbyville and a tooth-powder factory in New York City.

At 26 he joined the Times as an unpaid police reporter because he "hated all kinds of business." After 6 weeks the old Louisville Dispatch offered him a salaried job.

He worked successively on the Dispatch, the old Evening Post, the Louisville Herald, and the St. Louis Republic before returning to the Times. He was the Times' Frankfort and Washington correspondent before becoming Watterson's aid.

Wallace attained international prominence, not only as an editor and conservationist, but as one of the foremost exponents of hemispheric solidarity. Concerning Latin American affairs he once wrote:

"I would like to see all our neighbors south of the Rio Grande and the Caribbean having complete confidence and trust in the United States."

TRAVELED WIDELY

And on an earlier occasion:

"The fault of American neighbors to be truly neighborly has been more ours than the Latin Americans'."

In his later years Wallace traveled widely in South and Central American countries and made their customs, politics, resources, and people the topics of numerous articles on the Times editorial page.

He was unanimously elected honorary president of the Inter-American Press Association in 1951 after his term as president expired.

In 1949 he won the annual award from the Americas Foundation for outstanding contributions to hemispheric amity and understanding.

WAS HONORED OFTEN

Four years previously he had received, for promoting Latin-American friendship, the Maria Moors Cabot gold medal from Columbia University's Graduate School of Journalism.

His contributions to Latin-American relations again were recognized in 1955 with the establishment by the Inter-American Press Association of the Tom Wallace-Louisville Times Scholarship.

Endowed by Barry Bingham, president of the Courier-Journal and the Louisville Times, the $2,500 a year scholarship is awarded annually for 3 years to Latin American or American journalists or graduate students of journalism.

HELPED SAVE FALLS

Wallace's travels and interests, however, were not confined to the Western Hemisphere. In 1909 he made a world tour as representative of a news syndicate. Later he visited Portugal and Spain for a special study of conditions there. His third trip to Europe was in 1947, when he visited eight countries at the invitation of the Carnegie Foundation.

As a conservationist, Wallace received countless awards. He was perhaps best known for his successful fight to prevent Kentucky's Cumberland Falls from being converted into a power dam. The power interests had almost solid support in the area surrounding the waterfall. Their spokesman urged that the proposed development would mean work and wages.

ACHIEVEMENTS MARKED

As spokesman for the conservationists, Wallace made numerous talks in favor of retaining the scenic beauty of the falls. When the site was converted into a State park, he was recognized as the leading figure in the victorious battle against defacing the scenic asset.

His achievements as a conservationist were marked by the establishment in 1956 of a Tom Wallace chair of conservation in the biology department of the University of Louisville.

Anonymous donors provided an endowment grant of $235,000 for the chair, believed to be the only one in the United States.

FOUGHT POWER DAMS

Wallace's enthusiasm as a conservationist was reflected also in his leadership of campaigns against stream pollution, for the preservation of forests, game and fish, and for the proper use of land and water assets.

Plans for multiple power dams in western national parks aroused his opposition and drew this comment from him:

"An agency of the Government wants to build multiple-purpose power dams in all Western national parks in which there is sufficient slant for water to move by gravity. One purpose is to give employment to the needy blind—to engineers who cannot see why everything should not be destroyed."

FRIEND OF THE FARMER

Another of his comments was:

"If I had my way, land and water use would be regulated in behalf of the unborn."

A farmer himself, Wallace was a friend of the farmer, an advocate of improved methods of using land, and a fighter against exploitation of the farmer by other interests.

Wallace customarily arose at 5 a.m. to do the chores on his 158-acre farm, tending his poultry and taking milk from his Jersey herd into town before going to his office.

At a meeting of the Izaak Walton League of America, which he had served as national president, he once said in an attack on stream pollution:

"A nation's economic strength and therefore its military strength is related to its use of land and water.

BORN AT HURRICANE

"Among the reasons for perpetuating land and streams is that every generation of boys and young men is entitled to the natural sports of preceding generations. But the Izaak Walton League's standing declaration of its aims is broader than that, and should be known by everyone who mistakes it for a fisherman's club."

His enthusiasm for conservation extended to nature's humblest creatures. He once stopped his car on a busy highway to help a turtle cross the road.

Named for Wallace are Tom Wallace Lake, in the Jefferson County Forest, and the Tom Wallace chapter of the Izaak Walton League.

Wallace was born November 26, 1874, at Hurricane, Crittenden County, Ky. He was the son of Tom and Mrs. Mary Stuart Dade Wallace.

Much of his early education was by tutors, but he also attended Sampson's Academy, Shelbyville; Weaver's Business College, Louisville, and Randolph-Macon College, Ashland, Va.

He married Miss Augusta French, Philadelphia, on February 23, 1910.

Mrs. Wallace died March 30. She was the daughter of Harry B. French, one of the partners in the pharmaceutical firm of Smith, Kline & French Laboratories.

Wallace is survived by a son, Henry F. Wallace, Prospect, formerly a Time magazine correspondent in Cuba; a daughter, Mrs. Edward Lyons, New York, and five grandchildren. Mrs. Lyons was a member of the Louisville Times editorial staff from World War II until April 1950.

The University of Louisville gave Wallace an honorary degree of master of fine arts in 1937. Two years ago he received the honorary degree of doctor of letters from the University of Kentucky.

He also received an honorary degree of doctor of laws from Cumberland University, Lebanon, Tenn., in 1942.

HELD MANY POSTS

In 1940–41 he was president of the American Society of Newspaper Editors. He was for several years president of the University of Louisville's International Center.

Wallace also had been an honorary vice president of the American Forestry Association, president of the Southern Forestry Congress, and secretary and vice president of the American Planning and Civic Association.

He served as a director of the Izaak Walton League, vice president of Natural Bridge State Park Association, executive board member of Mammoth Cave National Park Association, and board chairman of the National Conference on State Parks.

FOUNDED CONFERENCE

Wallace founded the Ohio Valley Regional Conference on State Parks. He was a former adviser to the National Park Service and an honorary member of the American Institute of Park Executives and the American Society of Landscape Architects.

He received awards for his conservation efforts from the Woodmen of the World, Sportsman's Club of America, and the U.S. Department of the Interior.

The Courier-Journal, the Louisville Times, and WHAS established the Tom Wallace soil and water, forest, and wildlife conservation contest in his honor.

GAVE GOOD ADVICE

Wallace belonged to the Arts Club, Filson Club, Louisville Country Club, and Kappa Sigma Fraternity. He was an honorary life member of the Kentucky Ornithological Society and an associate of the American Ornithologists Union.

The editor's older associates remember him for his helpfulness and sound advice to young newspapermen.

A novice reporter, interviewing him about one of his activities, pulled out a wad of copy paper and tried to record every word Wallace was saying.

"Don't do that," Wallace advised mildly. "You're writing instead of listening. If you'll just pay attention, you won't need any notes."

VIEWS HARD HITTING

The editorial page he conducted reflected his belief in short, hard-hitting discussions of events. He once told the Indiana University Journalism Conference:

"An editorial page without spunk is bunk. An editor can't be valiant in print and a valet at heart."

He also told them:

"When, or if, free speech, of which the editorial page is the symbol and the soul, is impinged upon ever so slightly by legislative processes, the lifeblood of democracy will begin to flow from the heart toward the earth."

A frequent speaker at conventions and other gatherings, Wallace was known for his succinct style of stating his beliefs.

The Democratic Women's Clubs of Kentucky once voted that Wallace "should never again be invited" to address the group. An independent in politics, he had said in a speech to the group that persons who are too party-bound injure their own party. The women later retracted their action.

SOME COLUMNISTS STINK

A believer in the obligation of the press to serve the people, he gave this opinion to a press group in Washington a few years ago:

"Some columnists serve the public and the press and some stink, and that is equally true of editors."

Wallace felt deeply about the newspaper's role as the watchdog—or alarm clock, as he put it—of society.

This is what he said to the students at Eastern Kentucky State College in June 1929:

"A few of us who are not seeking political office, are not obliged to consider what this or that corporation might say, insist upon speaking aloud in behalf of the generation and future generations on certain aspects and assets of Kentucky.

FUNCTION TO SOCIETY STATED

"By so doing, we hope to perform the function of one of the most disliked but most useful pieces of mechanism in the list of modern conveniences, the alarm clock."

One of Wallace's criteria for a successful editorial: "It should be no longer than a pencil."

Wallace retained his interest in contemporary affairs to the end. And retirement as editor was not really retirement for him, because until his final illness in 1959 he wrote a thrice-weekly column for the Times editorial page on a wide variety of subjects.

CUBANS FOR TRACTORS

Mr. MUNDT. Mr. President, my opposition and concern in connection with the so-called Cubans-for-tractors deal has been expressed several times on the floor of the Senate, and is generally known. But it seems to me this matter is now developing serious ramifications, even beyond those first envisioned; and certainly these developments vindicate the good judgment of our predecessors in Congress who enacted the Logan Act.

In the first place, we have all read in the newspapers that a Castro cable was sent to Walter Reuther. I suppose we should refer to him now as de facto Secretary of State Walter Reuther, since he is head of this new volunteer department of state which has been negotiating with Castro. There originally seemed to be some reluctance on his part to share with his fellow Americans the contents of the message he received. Therefore, I ask unanimous consent to have printed at this point in the RECORD—from the New York Times—what is said to be the unofficial context of the communication.

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

TEXT OF PREMIER CASTRO'S MESSAGE ACCEPTING TRACTORS FOR PRISONERS

(HAVANA, June 7.—Following, in an unofficial translation, is the text of the message sent by Premier Fidel Castro last night to the United States Tractors for Freedom Committee.)

With all respect I want to tell you the following:

This committee has not taken any practical steps to carry the negotiations to a positive and immediate result.

The delay in the negotiations is only useful to those who need this time to carry out against Cuba a campaign as hypocritical and hateful as the rest of the criminal proceedings against our fatherland that have been carried out by forces organized, equipped, and managed by the Government of the United States.

The Revolutionary Government (of Cuba) has expressed with complete clarity its points of view about the question, while those who should have been the most interested in repairing their grave violations of international law and morality, and their great political and practical errors that led the United States into one of the most disgraceful episodes of its history, have only been zigzagging, pretending, and indulging in ambiguities.

UNITED STATES HELD RESPONSIBLE

The responsibility of the Government of the United States for the invasion of Cuba and for the deaths and destruction that it caused in our country is thoroughly known by world public opinion and recognized by the authors of the aggression themselves.

The only way to have avoided this embarrassing situation would have been respect for the sovereignty and integrity of our country, in conformity with the law of nations, large or small, and universal morality.

Cuba does not bear the blame, but only and exclusively the United States, for the maddening situation and the discredit that its policy of aggression against Cuba has created. It is also to blame for the fate of its mercenaries who launched themselves on an illegal and immoral adventure against Cuba.

Cuba has the right to impose exemplary sanctions on those who committed, against their own country, the crime of high treason, from the moment they acted under the orders of a foreign government, as the President of the United States himself has confessed.

It would be a grave error to interpret the gesture of Cuba toward liberating these prisoners except those responsible for previous crimes—with the sole condition that material damages be indemnified—as weakness, inhumanity, or negotiations of a material type.

WOULD RENOUNCE INDEMNITY

The Government of Cuba has indicated willingness to renounce all material indemnity if the U.S. Government will free, and ask its allies to free, an equal number of North American, Spanish, Nicaraguan, Guatemalan and Puerto Rican patriots who are jailed for fighting against fascism, racialism, colonialism, tyranny and imperialism. These allies are Francisco Franco of Spain, Luis Somoza, of Nicaragua, Miguel Ydigoras, of Guatemala, and Muñoz-Marin, of Puerto Rico, the last three being accomplices in the aggression against Cuba.

Neither the Government of the United States nor this committee has deigned to say a single word about the possibility of this real exchange—liberty for liberty—while, on the other hand, Cuba is willing to renounce all material indemnity if the United States and its partners are willing to renounce the desire to keep in jail Pedro Albizu Campos, Henry Winston, and other true patriots. They would be exchanged for an equal number of invaders who, in the inglorious and treasonable role of soldiers of exploiting monopolies, attacked their country with the escort of ships and planes of the powerful United States.

Your committee knows exactly the type and amount of the material indemnity Cuba asks, since this was given to you in detail by the delegation of prisoners. The Government of Cuba will adhere strictly to this without entering into a shopkeeper type of haggling.

It has become known that in the aggression against Cuba the Central Intelligence Agency invested $45 million, while the U.S. Treasury did not skimp a cent that would serve to destroy the lives of Cuban men, women, and children and cause great material damage to our country—which permits us to call ridiculous and disgraceful the attitude of those who oppose an indemnity for the material damages.

The raising and negotiation of this problem cannot be made only by cablegram, and it is better that a delegation should be sent to Cuba. In this there should be one of the principal members of the committee, preferably Mrs. Franklin D. Roosevelt or Milton Eisenhower, whose names, because they are better known in political spheres, would contribute to the solution of the matter.

If the committee is in the honorable position of being willing to mediate in this problem, without hesitation or timidity, it should send the delegation, which has been mentioned in previous communications, to deal with the Cuban Government either on the payment of the indemnity or the question of liberating an equal number of North American, Spanish, Nicaraguan, Guatemalan, and Puerto Rican prisoners.

Is the committee perhaps afraid to discuss the liberty of other men jailed for political motives in the United States, Spain, Nicaragua, Guatemala or Puerto Rico? Does not this type of case appear doubly humane?

The Cuban Government states with all clarity that in making these suggestions it is not following underhanded political aims and that it will not desist from its generous attitude.

Permit me to express to the members of the committee our thanks for its reiterated affirmations that it is acting on motives of human interest to demonstrate its friendship to the Cuban people.

Mr. MUNDT. Mr. President, I am sure that those who read the purported contents of the cable will find it to be both contemptuous and insulting—the kind of communication we might expect, I suppose, from such a Communist dictator to send to a volunteer committee attempting to negotiate with him.

Furthermore, Mr. President, I think Americans are entitled to know, at the time when an answer to that communication from Castro is sent, the complete contents of the answer. It is bad enough to have private citizens negotiating with foreign governments on international policy. To conduct such negotiations in secret would be indefensible.

I should like to point out that the next step in this sorry blackmail attempt is, we now find, that Castro has dictated the names of certain Americans with whom he has said he would be willing to talk.

Mr. President, since this sorry business has become official, and since the President has endorsed it and has said perhaps he can obtain the tax exemption which the committee desires, I believe the time has come when this matter should be made a matter of official U.S. policy and should be dealt with through the official U.S. diplomatic procedure, through our regular official diplomatic channels as provided by the Swiss Government in Havana. In my opinion, we should no longer permit having private individuals negotiate in so nonsensical a manner with the Cuban dictator who is attempting to subject our country to such insulting communications. In short, I suggest that if this matter is to be pursued—and I still hope it can be stopped—it should be conducted officially, by official representatives of the United States in an open and orderly manner. Unless the administration acts promptly and firmly to stop this volunteer adventure in high diplomacy with the treacherous Castro we may suffer even more humiliating and dangerous consequences than the serious repercussions already apparent.

Certainly the Logan Act was wise, because it was designed to prevent and preclude precisely the sort of thing which we see ventilated today in the U.S. press; the Logan Act was intended to prevent the operation of private negotiations of that sort.

I ask unanimous consent to have printed at this point in the RECORD some editorials which discuss this transaction.

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

[From the Huron (S. Dak.) Daily Plainsman]

PAYING TYRANT'S TRIBUTE IS STUPID

"When we start paying tribute to a tyrant," asks Senator THOMAS J. DODD, Democrat of Connecticut, in the Miami Herald, "are we any longer the land of the brave?"

Another question that might be asked would be: "When we start giving means of further suppression to a tyrant, are we being humanitarians?"

Says South Dakota's own Senator KARL E. MUNDT: "No one challenges the good intentions of the so-called tractor committee, but certainly it must be apparent that little thought has been given by this group to the consequences of this reckless activity made in the name of humanitarianism.

"Every American has a right to question whether any consideration was given to the fact that by bowing to the demands of the Cuban dictator we probably would free 1,200 Cubans but at the same time give Fidel Castro the means by which he can tighten his stranglehold on many times the number we attempt to liberate and condemn them to the slavery of communism."

Falling for Castro's offer is but another example of how many soft-headed, indulgent Americans think they can buy their way out of any sort of trouble.

Of course, there are some big names behind the tractor deal, but America shouldn't be impressed by big names. Ofttimes they're no smarter than the rest of us and sometimes considerably dumber. One classic example is Jack Paar, a man who when he starts solving world problems, has taught millions the virtue of turning off TV sets early and going to bed. He's supporting the tractor deal, but he's been so wrong about Castro lo, these many months, that his advice should be worth exactly what it cost you—and he's not on pay-TV.

[From the Denver Post]

CAN'T SATISFY BLACKMAILER

We regret to see the President of the United States supporting the move by private American citizens to meet Cuban Dictator Fidel Castro's demand for 500 bulldozers in exchange for 1,200 of his prisoners.

Even though we understand the humanitarian motives of the President and the citizens' committee and sympathize with the difficult situation of the young men who wished to liberate their country, we believe the response is a mistake.

For Castro's demand is sheer blackmail; cruel, coldblooded, and characteristic of the forces who oppose us in the cold war.

If 500 bulldozers were all that Castro wanted, it might be wrong to give them to him under the duress of blackmail, but it might at least be defensible as a humane expedient.

But the first payment never satisfies the blackmailer. It merely confirms his judgment of the weakness of his victim, and his demands grow larger and more frightening. And it give other potential blackmailers food for thought.

[From the Pierre (S. Dak.) Capital Journal]

WRONG KIND OF BULLDOZER

In the name of Charles Cotesworth Pinckney, what in the world is happening to the stamina of the American people?

It was Pinckney, an American Ambassador to the French Republic which had just cut off the heads of its Bourbon royalty, who declared that the American people were prepared to pay "millions for defense, but not 1 cent for tribute."

Pinckney is long since dead but the slogan he provided survived until at least the early decades of this century when one American President sent warships into the harbor of Algiers with the ultimatum of "Pericardis alive or Raisula dead" in response to a demand for ransom, and another American President sent warships into the harbor at Vera Cruz with a demand for an apology for insolence. Unfortunately the spirit behind the slogan seems to have died in the mind of at least some Americans who are advocating meek acceptance of the insolent proposal of Fidel Castro to trade prisoners for bulldozers. We are in favor of sending bulldozers to Cuba, but we are in favor of sending the armored variety commonly referred to as tanks, and of shipping them on landing craft into Guantanamo Bay. We definitely are not in favor of sending a single machine of any kind which could be pointed to as a tribute wrested from a supine American people by the courage and valor of a Communist dictator.

It is time for the American people who harbor the delusion that it is possible to buy peace and friendship from blackmailers to learn that you can't do business with people who are dedicated to your destruction. As for Castro, he might reflect on the fact that a man named Eichmann, who once proposed to trade prisoners for trucks, is now on trial for his life by a people whom he had sworn to exterminate.

REQUESTS FOR COMMITTEES TO MEET DURING TODAY'S SESSION OF THE SENATE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Judiciary Committee's Subcommittee To Investigate Juvenile Delinquency be permitted to sit during the session of the Senate today.

Mr. KUCHEL. Mr. President, objections to the holding of committee meetings during today's session of the Senate have been lodged with the acting minority leader. Let the RECORD show, therefore, that I object, on behalf of several of my colleagues.

The PRESIDING OFFICER. Objection is heard.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be permitted to sit during the session of the Senate today.

Mr. KUCHEL. Mr. President, I make the same statement and the same objection.

The PRESIDING OFFICER. Objection is heard.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Aeronautical and Space Sciences be permitted to sit during the session of the Senate today.

Mr. KUCHEL. Mr. President, I make the same statement and the same objection.

The PRESIDING OFFICER. Objection is heard.

USE OF FOOD AND FIBER RESOURCES AS PART OF THE FOREIGN AID PROGRAM

Mr. HUMPHREY. Mr. President, in my discussions with representatives of the International Cooperation Administration and the Aid Agency, I have asked for particular information relative to utilization of our food and fiber resources as an integral part of our foreign aid program.

I have long felt that the State Department did not fully appreciate the asset we have in this abundance of food and fiber, as an instrument of U.S. foreign policy. Therefore, during the time when the reorganization of the foreign aid operations was underway, I registered considerable concern in regard to what was to happen to the food program and how it was to be managed under the Aid Agency. I discussed these matters with certain representatives of the ICA—with Mr. Labouisse and some of his deputies.

I hold in my hand a letter, dated May 25, addressed to me, and signed by Peter T. Jones, assistant to the Director, Mr. Labouisse. The letter is in response to a conference held in my office in the early part of May.

The letter reads in part as follows:

You mentioned that you would be interested in seeing some evidence demonstrating that the State Department Aid Agency complex would not be an obstacle to effective use of our surplus agricultural commodities in our oversea development programs. The following figures showing the increases the Aid Agency has programed for title I shipments in 1962 as compared to 1961 may be of interest in this connection.

Mr. President, I ask unanimous consent that the full text of the letter be printed in the RECORD.

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

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D.C., May 25, 1961.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: I want to thank you again very much for the time and help you gave Phil Claxton and myself the other day on various aspects of our foreign aid program. I not only learned a great deal, but thoroughly enjoyed it.

You mentioned that you would be interested in seeing some evidence demonstrating that the State Department/Aid Agency complex would not be an obstacle to effective use of our surplus agricultural commodities in our oversea development programs. The following figures showing the increases the Aid Agency has programed for title I shipments in 1962 as compared to 1961 may be of interest in this connection:

Sales of U.S. surplus agricultural commodities under sec. 402 and title I, Public Law 480

[Million dollars, U.S. export market value]

	Fiscal year 1961			Fiscal year 1962, title I, Public Law 480
	Sec. 402	Title I, Public Law 480	Total	
Bread grains	36.4	553.5	589.9	645.2
Coarse grains	15.2	40.4	55.6	46.9
Rice	3.0	57.4	60.4	49.8
Cotton	27.3	220.4	247.7	224.9
Edible oil and soybeans [1]	26.6	29.3	55.9	101.2
Other [2]	31.5	129.5	161.0	173.2
Total	[3] 140.0	1,030.5	1,170.5	1,241.2

[1] Including soybeans, which were not available under title I in fiscal year 1961, nor is it assumed that they will be available in fiscal year 1962.

[2] Including ocean transportation financed by the United States.

[3] In addition, triangular sales of $38,000,000 were arranged with 3 Western European countries.

Specific steps we are taking to increase the use of these commodities overseas were described recently by Herb Waters in his testimony before the House Agriculture Committee:

"We are placing food programing officers in several of our oversea missions. They will work with foreign governments and U.S. voluntary agencies in developing new programs or expanding existing programs to use American foods to combat hunger and contribute to development.

"Labor intensive works programs, which are supported either directly by the use of food for part payment of wages or by the use of local currencies derived from sales programs, will not only provide employment but can result in upgrading workers' skills. Labor and manpower specialists in our missions have been asked to pay particular attention to this aspect of the programs and to work with free trade unions in planning and sponsoring such programs.

"We are encouraging development and expansion of school lunch and child feeding programs, which may be undertaken in cooperation with other governments or in cooperation with U.S. voluntary agencies. We are actively exploring new ways in which to use food grants to stimulate economic development.

"We are already using the grant authority under title II of Public Law 480 to support programs which provide employment to the needy and contribute to economic and social development. We hope to use food and feed to assist in agricultural reform and resettlement programs. Food and feed can be provided to a farmer while he is in the process either of bringing new land into production or of changing his existing land use and livestock operations to more productive and desirable enterprises. We may be able to utilize U.S. feedgrains to help underdeveloped countries get started on developing livestock, poultry and egg industries to help meet the protein deficiencies so prevalent in many countries. Here again, our ability to provide technical help, as well as feed supplies, in planning and operating such programs will be invaluable."

Our agriculture products really represent one of the most important assets we possess in our efforts to bring the large majority of mankind out of the depths of poverty and into the sunlight of a decent life.

Thank you again for a most stimulating session.

Sincerely yours,

PETER T. JONES,
Executive Assistant to the Director.

Mr. HUMPHREY. Mr. President, I do this because I want the RECORD to be replete and filled with documentation as to the importance of the food and fiber resources our country possesses.

Yesterday, at the hearing of the Foreign Relations Committee, I said that the new foreign aid agency should not only look to the Commodity Credit Corporation surplus stocks, but also should look to the productive capacity of American agriculture, when it contemplates food and fiber programs for oversea uses. We should not predicate or base our food programs overseas on the temporary surpluses which may be in the possession of the Commodity Credit Corporation. We should base our food and fiber programs, as a means of aid assistance to other peoples, on the needs of those peoples and the capacity of our agricultural economy to produce.

I repeat—as I shall again and again—that the proper use of our food and fiber can be a tremendous asset in the foreign aid program of the United States.

The PRESIDING OFFICER. Is there further morning business?

UNITED STATES BUILDING INDUSTRY CAN HELP SOLVE HOUSING PROBLEM OF LATIN AMERICA

Mr. HUMPHREY. Mr. President, I ask unanimous consent that at this time I may make a statement in excess of the 3-minute limitation in the morning hour. I wish to speak on the housing program, and I wish to make this statement before the housing bill is laid before the Senate. I make this request because of the limitations on time and because of some accommodation to our colleagues. So I ask unanimous consent that at this time, I may speak for not to exceed 10 minutes.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. HUMPHREY. Mr. President, we are discussing important housing legislation which has been the pending business, and soon again will be the pending business. We hope to complete our action on this proposed legislation today.

I think it well behooves us to consider housing legislation not only in terms of our domestic economy, but also in terms of housing as it relates to our international commitments and our international opportunities and responsibilities.

I believe that the United States building and housing industry can help to solve a very serious problem in the field of housing, particularly in Latin-American areas.

I invite the attention of Senators to the general problem of housing, not only in our country, but in Latin America.

Some time ago a study was made by Mr. Anatole A. Solow, and published by M.I.T., whereby he estimated a shortage of 11.7 million dwellings in Latin America. To overcome this shortage over a 50-year period would require the construction of 235,000 new houses annually. To replace dwellings that are older than 50 years would require an

additional 332,000 units a year. The annual increase in population requires 727,000 dwellings, making a total annual requirement of 1.3 million houses. The current rate of construction is about 166,000 new dwellings per year, which leaves an annual housing deficit in Latin America of more than 1 million dwelling units.

When we talk about an effective program for Latin America, an Alliance for Progress, surely within that program of progress is to be included a program of dwelling units, housing facilities, housing units, as well as health protection, food and fiber, and general public works, the improvement of the public sector of the Latin American areas.

I emphasize that, whatever plans we have for this area, they must be big enough to do the job. Otherwise, the specter of Castroism will become not merely a shadow over Latin America, but can become the dark night of Latin American reality.

An investment of about $2 billion annually would be required to overcome this shortage. This amount is four times the $500 million aid to Latin America requested by the President, of which aid for housing represents only a small portion.

Although there is a large volume of literature concerning various aspects of economic development, little has been written about the specific role of housing. There is no question that the need for improved housing in underdeveloped areas is critical. But recognizing that housing is only one of many critical needs facing newly developing countries, economists typically have placed housing low on the list of investment priorities. It is argued that the limited funds which are available must be channeled into those activities making the greatest contribution to increased production. Housing is viewed essentially as consumers' goods, and as such competes with producers' goods for extremely scarce investment capital.

This narrow view of housing's role in economic development—which, by the way, is a view that has been held to date—although valid in some instances, does not apply universally. Improvement in living conditions is a goal of all developing countries and serves as evidence of economic advancement. But it can also serve as a means of achieving economic growth. Conditions may exist under which expanded housing can make a definite contribution to economic development. In some instances the construction of dwellings is required to house workers engaged in another development project such as a new manufacturing plant; in this case investment in housing is essential for the successful operation of the project. Improved housing can increase worker productivity by reducing illness and absenteeism.

Expansion in the housing industry, in addition to directly generating employment and income, helps to stimulate growth in related industries such as construction supplies and household goods; and some contend that the secondary effects are of greater importance than the direct effects. Home ownership or the possibility of home ownership can provide the incentive for increased private saving, important in stimulating capital accumulations, and it can provide a motivating force for greater individual productivity. Improved housing can serve as one method of spreading the benefits of economic advancement to a large number of people, thereby raising the general standard of living. In so doing, it can help to foster political stability.

Every one of these arguments is true on the domestic scene. I submit that the validity of the argument on the domestic scene surely lends truth to the validity of the argument on the international scene.

Mr. President, we have talked much of utilizing the surplus food and fiber of this country to meet the needs of the developing countries of the world. In light of the highly developed lumber, plywood, and other building materials industries in this country, the tremendous unmet needs in housing of the Latin American countries, and the great potential that the housing industry has as a stimulus to economic growth of any country, I should like to propose that the International Cooperation Administration make a detailed study of how the building materials industry in this country might best be used to help meet the great housing needs of Latin America. The ICA should call upon the cooperation and resources of other governmental agencies, particularly the Department of Commerce and the various lending agencies of Government. As a matter of fact, I am advised by the Department of Commerce that both they and ICA have been analyzing this situation.

I add that a proper use of building materials for housing programs in other parts of the world would have a tremendously favorable impact on the American economy.

Following the Chilean earthquake in May 1960, the Forest Products Division of the Business and Defense Services Administration, Department of Commerce, suggested to the building industry development of a home suitable for the devastated areas, which utilized lumber, plywood, and other United States building materials in its construction, to provide job opportunities within an industry with a pronounced labor surplus. Industry, after numerous consultations with Chilean housing authorities, developed two homes ideally adapted to the residents of Chile and competitive with any offered by third countries. The homes were extremely flexible providing many possibilities, among which were (a) prefabricated houses; (b) precut houses; (c) precut components, and (d) any combination of the foregoing desired.

There was an acceptance of design, materials, and price, and encouragement was received from many sources.

I want to make clear that building materials relates not merely to the use of lumber, but also the utilization of prefabricated building blocks and other building materials.

A Chilean corporation, interested in 600 prefabricated houses, expressed particular interest providing the U.S. industry would extend a 5-year credit similar to that available from the Scandinavians. Industry visited the Export-Import Bank, the Development Loan Fund, and the Inter-American Bank only to find that none of these organizations was authorized to assist. Many industrial groups are of the opinion that unless the authority of one or more of these agencies is so modified as to permit such financing, U.S. industry will continue to be severely handicapped in bidding for foreign business.

It will be my intention, during the markup of the foreign aid bill, to seek a modification in the authority of our lending institutions for oversea purposes.

Finally, Mr. President, let us have a major study looking toward a major program of utilizing American building materials as the catalyst for social and economic development in the underdeveloped countries of Latin America, also utilizing the indigenous, native building materials to be found in this country.

Imagine the awe-inspiring, heartfelt warmth that would be directed to those who provide protection from the elements, if we were to build houses, multiple dwellings, clean, sanitary, and dry living quarters for the hovel dwellers in our sister republics. This is not a new idea. There have long been voices raised to urge a greater concentration of our attention in the field of foreign aid toward the social and economic revolution abounding in the world. It is well to be concerned with the development of powerplants, manufacturing facilities, port improvements, and irrigation systems, but is it not equally important to be responsive to the immediate human demands for the population of these countries? These nations that are confronted with great and overwhelming shortages of both material and trained human resources are, not surprisingly, attracted by the radical solutions of communism that hold out the promise of higher standards of living.

We cannot expect any long-range practical improvement in the economic conditions of the underdeveloped countries unless there be political stability within these nations. And we cannot expect long-range political stability among any peoples who continue to be ill housed, ill clothed, ill fed. We must be bold enough to proclaim that henceforth we shall include as an integral part of our foreign aid program, enough of the natural resources that abound in our land, and in the land of those countries, and the manufacturing know-how to provide, at least, the very fundamental human needs of those crying out for assistance.

FREEDOM OF INFORMATION

Mr. FULBRIGHT. Mr. President, I have recently had an interesting exchange of correspondence with Mr. V. M. Newton, Jr., of the Tampa Tribune regarding freedom of information and other matters.

Mr. Newton sent copies of his letters to me to several newspapermen, at least some of whom have commented upon them in the press. In order that the complete correspondence may be in the public domain, I ask unanimous consent that Mr. Newton's letters to me and my replies be printed in the RECORD.

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

JUNE 6, 1961.

Mr. V. M. NEWTON, Jr.
The Tampa Tribune, Tampa, Fla.

DEAR MR. NEWTON: I have your further letters of May 24 and May 30.

In my earlier letter of May 25, I think I said about all that can usefully be said on the problems you raise, and I am not sure that any useful purpose is served by prolonging this correspondence indefinitely. However, I feel impelled to set the record straight in regard to some points you raise in your letter of May 30.

It is simply not true that all records of the Federal Government are closed to public inspection.

It is not true that all Appropriations Committee meetings are held secretly. The Senate Appropriations Committee holds many public hearings every year. Furthermore, even in the case of secret meetings, most of the information elicited there is subsequently made public.

It is simply not true that the American bureaucracy never has accounted to the American people for one penny of the $75 billion in foreign aid funds which it has spent since 1945.

What bothers me most about your letter, however, is the thread that runs through it of distrust of politicians as a class. It seems to me that this leads to the kind of cynicism which has historically been destructive of democracy and free institutions. I am a politician and proud of it. If you or any other citizen disagrees with the policies I advocate or the actions I take, you are free to try to defeat me at the next election and replace me with another politician whose views you find more agreeable. But in any kind of a representative government, this has got to be done through political action, which necessarily will be led by politicians. If you reach the point of complete distrust of politicians as a class, I do not see how you can make a political system, which is based on political action, work.

As I have said before, I think certain agencies of this Government frequently try to keep secret things which should not be secret. But what bothers me even more is the fact that the large body of public information which is available to the press and to our people is not more widely disseminated, discussed, and understood.

The first notice I had of your May 30 letter came from a wire service which received it before I did. In order that our full exchange of correspondence may be widely available, I intend to insert all of it in the CONGRESSIONAL RECORD.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

THE TAMPA TRIBUNE,
Tampa, Fla., May 30, 1961.

Senator J. W. FULBRIGHT,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: Thank you for your thoughtful letter of May 25. I agree in part and I disagree in part with your thinking on the matter of the apathy of the American people toward government.

Let me say at the outset that I regard you as by far the most brilliant Member of the U.S. Senate. Time and again I have quoted statements from your speeches in the Senate in my own speeches around the country. And I say sincerely that our country needs the application of your brilliant brain to this problem, which must be solved if we are to survive as a free country, and that is why I wrote you originally and am taking the time and trouble of these succeeding letters.

I agree with your statement that some of the confusion and bafflement of the American people can be attributed to the "bigness" of government which you say is "unavoidable." In 10 years, I have been unable to find a person either in or out of government who could tell me the exact number of departments, agencies, bureaus, commissions, etc. in Washington. I remember also that in 1957 the U.S. Senate declined to go along with the House of Representatives in a bill that would have forced the 5,000 advisory Federal bureaus to reveal their identities to the people and to keep public minutes of their secret meetings.

You state: "Nevertheless, this is by far the most open Government that has ever existed."

I cannot possibly agree with this statement simply because the facts belie it. The United States did have the most open Government up until the Roosevelt administration. Here are the facts today:

1. All records of the Federal Government, including those pertaining to the expenditure of the tax funds, are closed to the inspection of the American citizens who pay the tax funds.

2. Most actions and decisions of Federal Government are taken secretly and are revealed to the American people in the form of proclamations after the fact.

3. I made a survey of all Washington news carried on the national wires several years ago and discovered that better than 75 percent was based on pure governmental handout propaganda.

4. One-third of all congressional committee meetings, including all of the appropriation committee meetings wherein our Congressmen decide how the people's tax funds are to be spent, are held secretly. Much of the American people's major legislation is decided behind locked doors, with little restraint from public opinion, and then is railroaded through Congress with a minimum of debate.

You should know all this.

From 1955 to 1960 the Hennings committee in the Senate and the Moss committee in the House held countless public hearings and documented in hundreds and hundreds of pages the facts of the secrecy of the bureaucracy and the records of the expenditure of the taxpayer funds.

The appointed bureaucrats declined to give Congress the facts and figures on the expenditure of our foreign aid funds in 1959, and during the next 2 years the U.S. Senate declined to go along with the House of Representatives in an amendment that would have forced the bureaucrats to have given at least this portion of the records of Federal Government to Congress. I noted at the time in the CONGRESSIONAL RECORD that you participated in the Senate debate on this matter. And I might add that the American bureaucracy never has accounted to the American people for one penny of the $75 billion in foreign aid funds which it has spent since 1945.

The CONGRESSIONAL RECORD is sufficient documentation for the secrecy in congressional actions.

I am bothered a good deal about two particular matters in Federal Government. They are our defense secrecy and our diplomatic secrecy. No patriotic editor, of course, would want to reveal any secret that would help the enemy. In fact, the record of the American press in World Wars I and II and in the cold war is above reproach. Yet this security secrecy deprives the American people of their right of restraint upon their Governors in these two important matters. And I cannot help but wonder if this is the right thing, if an informed American public opinion, forcing our Governors along the path of righteousness and freedom, does not outweigh the danger of the enemy getting our defense secrets. After all, the lives of every man, woman, and child in America are at stake on these two important matters.

Since the close of World War II, the American bureaucrats have spent more than $600 billion of the people's tax funds, all in secrecy and with very little restraint from the people.

At the same time, Secretary of State Rusk today, just as his recent predecessors did yesterday, does not let his right hand know what his left hand is doing in our international affairs.

Let us see how this works. From 1945 to 1957, the American bureaucrats issued glowing propaganda handouts that decorated the Nation's page 1 to the effect that we were superb in the business of rockets and satellites. Then came Russia's sputniks, blowing our bureaucrats' propaganda into smithereens.

Furthermore, we came out of World War II the most powerful military force in the world's history. Yet in spite of the $600 billion which our bureaucrats have spent secretly on our defense since then, our military generals repeatedly have testified before congressional committees since 1957 that we are a poor second to Russia as a military power. I cannot help but ask, What goes on in Washington? And can the people, fed only propaganda, be anything but confused and baffled?

In the matter of our diplomatic relations, 50 years ago a President, King, or Emperor could sit in a secret meeting, decide to go to war, and, in most cases, only a professional army was involved. But today when the leader of a nation sits in a secret diplomatic meeting, one boo-boo could cost the lives of millions of citizens. And for this reason, I feel that some sort of restraint from the people should be exerted constantly in all diplomatic negotiations in which our country is involved. After all, the one great force of a free country is the pressure of an informed public opinion standing foursquare for freedom, and we are weakening our diplomatic negotiations badly when we rule out, through secrecy, this great force.

I agree thoroughly with your statement that "the press must take a large portion of responsibility for the people's lack of awareness about our situation in the world."

I cannot forget all the political rumbling over the Department of State's secret report on our declining world prestige in the recent presidential campaign. Why did the American foreign correspondents have to depend on a bureaucratic survey to discover and report to the American people our growing world unpopularity? Or did they lean too much on our ambassadorial handouts just as so many of our Washington correspondents lean heavily on bureaucratic handouts?

Why, also, didn't our foreign correspondents in Korea report to the American people on the corruptions of the civilian government there and on the preparations of the Korean army to revolt? Or did they, too, lean too heavily on the ambassadorial handouts?

Why, too, didn't the American correspondents in Cuba report to the American people on the inequities of the Batista government and on the terrible conditions among the people of Cuba? Or were they too busy cocktailing at the Ambassador's mansion?

So you see, the press has not been doing its job and you are entirely right in your statement.

But you are right also in saying that the politician, too, must share the blame. The whole Cuban mess is indeed disturbing and I can report to you that the apathy of the Florida people at least has been cracked wide open.

The people down here are mad as they can be over the great political fiasco of the Cuban invasion and they are bitterly against the plan of a group of politicians and ex-politicians, acting in the name of citizens and with the blessing of the White House, to pay the ransom of 500 bulldozers—or indemnity as Castro calls it—for the release of the 1,200 captured rebels in Cuban prisons.

Dozens of letters are pouring into my newspaper each day, 50 to 1 against the ransom, and organizations of citizens all over this area of Florida are passing resolutions against it.

If you will recall, immediately after the Cuban fiasco, President Kennedy announced to the country that he would take full blame for it. Shortly afterwards, our Washington bureaucrats began pointing the finger of blame at the CIA and still later this finger of blame shifted to the general staff.

A Senate committee held a secret hearing of the general staff and Senator GORE came out demanding the firing of General Lemnitzer, Chief of Staff. Other Senators said it was bad but not too bad and still others upheld General Lemnitzer. All of this, of course, was most confusing.

But the aroused Florida citizens are not singling out President Kennedy or the CIA or General Lemnitzer for their wrath. They are blaming all the politicians in Washington, including Congress, for the fiasco. And why shouldn't they?

Prior to the fiasco, all the key Democratic leaders ran around the country briefing all the key Republicans. They briefed former President Eisenhower. They briefed former Vice President Nixon. They briefed Governor Rockefeller of New York and even old Harry Truman out in Missouri. In fact, they briefed everybody but the American people, whom they apparently don't trust, even though the people are paying the salaries of all the political briefers and the political briefees.

Thus, by these actions, the American politicians clearly stamped the abortive Cuban revolution as an American political deal, with the American people left out of it altogether. And the argument that it must be done in secrecy so as not to alert Castro certainly didn't hold, for Castro apparently knew all about it, more than the American people; otherwise he would not have been able to repel it so easily. And the fact that the Senate committee held a secret hearing of the general staff, rather than letting the people have the facts, indicates to the people that Congress is on the side of the bureaucrats, even though it is elected by the people to uphold the rights of the people in our Washington government.

Wouldn't it have been far better for the American politicians to have taken the American people into their confidence and thereby have gone into the ill-fated Cuban venture with the support of an informed American public opinion?

Hasn't the time arrived in modern American history for the American politicians to cut the American people into the international game of politics, particularly so since the lives of every American man, woman and child are at stake?

Don't you think that the pressure of an informed American public opinion long since would have had an overwhelming effect upon Castro and the Cuban people under his domination?

Believe me, I will be most grateful for your comment.

Sincerely yours,

V. M. NEWTON, Jr.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
May 25, 1961.

Mr. V. M. NEWTON, Jr.,
The Tampa Tribune,
Tampa, Fla.

DEAR MR. NEWTON: I have given some thought to the difficult questions you raise in your letter of May 11 about public apathy and public information.

It seems to me that the problem is more complicated than you present it. As I read your letter, your thesis is that the American people are so confused and baffled by their Government that, in effect, they lose interest in it and take refuge in a constant drive for more creature comforts. I would certainly be the first to agree that the Washington scene is frequently confusing and baffling. I would also agree that this is to some extent due to the American Government itself (particularly because of its bigness, which is to a large degree unavoidable) and to the American politician.

But to put all the blame here, and particularly to single out secrecy in government, strikes me as gross oversimplification. I take it you would agree there are many things in government which should be secret. I agree there are many things which the Government attempts to keep secret which should not be secret. Nevertheless, this is by far the most open government that has ever existed. From the outside, it may appear murky, but I can assure you that from the inside one gets the feeling of being in a goldfish bowl.

There is, indeed, an enormous quantity of information which is freely available to the public but which never receives wide circulation, presumably because the press does not regard it as news. In all frankness, it seems to me that the press must take a large portion of responsibility for the public's lack of awareness about our situation in the world.

It seems to me also that a large share of the responsibility must be taken by our public school systems and our colleges and universities.

I do not think much is to be gained by quarrels among Government officials, newspapermen, and educators as to where the greatest portion of the blame lies. The important thing is for all of us, each in our own sphere of responsibility, to try to make the people aware of the basic choices which must be made by the United States as a Nation. These choices have to do not only with our basic position in the world, but also with our scale of values in our own lives at home.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

P.S.—I might add that you should not overlook the fact that these politicians whom you blame so much got to Washington only by the votes of the people—the same people who complain. They know these politicians personally, at least they do in many cases. Why do they send such inferior specimens to Washington to represent them?

THE TAMPA TRIBUNE,
Tampa, Fla., May 11, 1961.

Senator J. W. FULBRIGHT,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: I was in Johns Hopkins Hospital at the time of your very fine speech of April 20 before the American Philosophical Society at Philadelphia.

Now I am back at my desk and as chairman of the National Freedom of Information Committee of Sigma Delta Chi, the professional journalistic society which has 16,000 publishers, editors, newsmen, and newscasters as members, I would like to comment on it.

In your speech, you deplored what you called "public apathy and unconcern" while the United States "is clearly undergoing the gravest test of its history."

You further said that the American people have been preoccupied with "bigger cars, bigger parking lots, bigger corporate structures, bigger farms, bigger drugstores, bigger supermarkets, bigger motion picture screens" but have been unable or unwilling to "identify themselves with something as vast as the United States."

As a working editor of the free American press, who comes in contact with a large number of free American citizens, I agree in general with your speech. But I do not agree with your criticism of the American people. I have found countless good American citizens who are deeply interested in the well-being of our country and our Government and would like to have a part in it but one and all are so confused and baffled by the Washington scene that they have turned their attention elsewhere. I blame the American Government and particularly the American politician for this.

During the last 25 years, the American bureaucrat has draped an airtight curtain of censorship and secrecy over all the records of the Federal expenditure of the billions of the American people's tax funds. Ignorance, of course, breeds apathy, and there can be no doubt but that the American people are ignorant of the true facts of their Government.

At the same time, Congress more and more has made its decisions on the important matters of American Government behind the locked doors of the so-called executive sessions of its committees, which are nothing more than secret meetings. Because of this, many of the major laws and programs have been railroaded through Congress with a minimum of public debate.

By far the greater part of news out of Washington today consists of propaganda handouts or "leaks" designed to benefit the politician. Virtually none of the cold facts of our diplomatic business has been given to the people until after the fact, and in some cases this has been of disastrous nature.

In the matter of our diplomacy, we have a combination of "diplomacy by secrecy" and "diplomacy by proclamation." How can you expect a free and intelligent people to follow blindly a government by proclamation? That is the way the Communists operate. We can't beat them on their field at their game. But we can beat them with the big weapon of a free government which is an informed public opinion with its pressure on world opinion. Take, for instance, the following:

1. The diplomatic events that led to the isolation of Berlin in the middle of communistic territory.
2. The diplomatic events that led to the Korean war and what many people believe, the useless loss of American lives.
3. The loss of Poland.
4. The loss of China.
5. The mess of Formosa.
6. The mess in Laos and surrounding area.
7. The decline of American popularity throughout the world, even though, through hard-earned tax dollars, the American people have given something like $75 billion to their neighbors in foreign-aid funds during the last 15 years.
8. The whole mess surrounding Cuba and Latin America.

These are only a few of the major events and nobody can blame the American people for these tragedies. These all resulted in the secret confines of the American bureaucracy and, in some cases, all the facts have not even been given to the American people today, although the events happened years ago. The American people were not informed

of the facts at the time and thus an informed public opinion, which is both the lifeblood and the safeguard of free government, never was exerted in any of these events. An informed public opinion is the greatest and, next to armed power, the only effective weapon of a free people in diplomatic relations with other people. Yet the American politician, through his secrecy, has elected to ignore this great weapon of free government not only in relationship with the Communist nations but also in relationship with the free world. He has effectively cut the people out of a part in the people's business with the rest of the world.

Out of all this, the American politician in Washington is gradually segregating himself as a separate entity, solely responsible for the secret diplomatic decisions of Government. And the American people, barred from the facts at the time because of the politician's secrecy, are left helpless and confused, particularly by the propaganda handouts and leaks for the benefit of the politician.

There are, of course, certain dangers in the prompt informing of a free people, yet I sincerely believe that an informed American public opinion, standing foursquare for the great principles of American freedom, certainly would be the most effective and powerful force in the world and would offset any dangers. Actually, an uninformed American public opinion, not supporting and not interested in the actions of its politicians, is an even greater danger to free government.

All of this, sir, disturbs me no end.

I will be most grateful for your views.

Sincerely yours,

V. M. NEWTON, Jr.

AUTHORIZATION FOR JUVENILE DELINQUENCY SUBCOMMITTEE TO MEET DURING SESSION OF THE SENATE

Mr. DIRKSEN. Mr. President, the Subcommittee on Juvenile Delinquency has witnesses who wish to appear before it. They have come from as far away as California. The request of the subcommittee to meet this morning was caught in my objection to committees meeting today. However, I do not want to see these witnesses who have traveled so far terribly inconvenienced. Therefore, with respect to the request of the distinguished Senator from Connecticut [Mr. DODD], there is no objection on my part to that subcommittee meeting this afternoon during the session of the Senate.

Mr. DODD. I am grateful to the distinguished minority leader. I renew my request that the Subcommittee on Juvenile Delinquency be authorized to meet during the session of the Senate today.

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

STOCK OPTION TAX PROVISIONS

Mr. GORE. Mr. President, a constituent has sent me a copy of an article by a Mr. Malcolm S. Forbes which appeared in the May 15 issue of Forbes Magazine. This article is headed "Fact and Comment," and takes me to task rather severely for proposing that corporate executives no longer be allowed to make large profits by way of restricted stock options.

I might say that Mr. Forbes' article is long on comment and somewhat short on fact.

Mr. Forbes does not quote anything I have said on this point, but he states:

There is no tax evasion involved—as the Senator inferred.

Now, I did not infer anything, nor did I imply anything. I stated facts, and I now state without equivocation, as I have on many occasions, that the corporate executive who makes a profit from restricted stock options, a profit which is in the nature of compensation and has no bearing on true capital gains, pays taxes only at the capital gains rate of 25 percent rather than at the ordinary income rate which he should pay. The ordinary income rate, of course, varies with the total taxable income, and may run up to 91 percent on the marginal income of the individual concerned. Also, no tax is assessed when the option is exercised, although at that time a real and tangible profit is realized.

Furthermore, if the corporate executive holds the stock until his death, no income tax of any kind is ever assessed against the gains he made on the transaction.

Mr. Forbes knows, I should think, what the law provides relative to the taxation of the profits made from restricted stock options. Nevertheless, after taking me to task, accusing me of being "irresponsible," he went on to advance his own arguments in favor of restricted stock options.

He said:

Options enable large corporations to hold on to exceptional men who might otherwise be tempted to leave and start their own businesses.

All I can say is that any such move by corporate executives would be highly beneficial to the whole country. It might cut down on some of the price fixing and other sorry practices which we have recently seen exposed.

It is amusing that this argument should be advanced. Most of those who have written to me in disagreement with my position—and they are few—have argued just the reverse. They claim that the restricted stock option is the only device which enables small business to compete with big business for qualified executives. Both arguments cannot logically be valid.

His other argument in favor of restricted stock options is that—

Stock options serve a valuable purpose in corporate democracy. Without stock option plans, the economic cards would be stacked entirely in the favor of those who already possess capital and against those who manage it.

This is the most ingenious argument I have heard recently. Corporate democracy, indeed. What kind of corporate democracy does Mr. Forbes have in mind? Does he not know that the managers now control our corporations, sometimes for the benefit of the stockholders, but often for their own benefit?

With large salaries, pension plans, delayed compensation, fringe benefits, and special "consultant" arrangements after retirement, it would appear to me that the managers are taking very good care of themselves without more stock options.

Instead of tax gimmicks to make millionaires out of corporation managers, let us try to achieve some semblance of tax equity, without which our whole system will, sooner or later, be under severe stress.

I ask unanimous consent that the article to which I have referred be inserted at this point in my remarks.

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

FACT AND COMMENT

(By Malcolm S. Forbes)

DO EXECUTIVE OPTIONS BENEFIT STOCKHOLDERS?

Ever since Congress passed a bill in 1950 to make the present system of executive stock options possible, the practice has been a matter of some controversy. Last month options were dragged into the arena again by Senator ALBERT A. GORE, Democrat, of Tennessee, a perennial critic of executive stock options. Senator GORE, in fact, introduced a bill to ban them. In so doing he claimed options were unfair both to stockholders and to taxpayers. He called options cutrate bargain purchases for highly compensated executives.

The Senator earned a certain amount of publicity from his blast, but it is highly questionable—to say the least—whether his criticism was based either on sound logic or on sound facts. For one thing, the Senator chose a rather tough target. He deliberately drew a bead on International Business Machines Corp. and its new 150,000-share option program. His shot went very wide of the mark.

In the first place, IBM's option program is something of a model for executive option plans. IBM options, for example, are granted at 100 percent of market price at the time of their approval, whereas the law permits them to be written at 95 percent of the going price. IBM's options cannot all be exercised at once by any one optionholder but only in installments over a period of 10 years. Hence, the options cannot readily be used for speculative purposes. And, while there is a considerable amount of money involved (the present option program eventually will bring around $70 million into IBM's treasury), the whole thing involves a dilution of less than half of 1 percent of outstanding common shares.

But IBM's option program aside, GORE's attack on the whole system was rather irresponsible. Certainly there is no tax evasion involved—as the Senator inferred: Any profit that is taken on the options is taxable at the full 25-percent capital gains rate. Nor did he come up with any evidence to back his contention that options are unfair to stockholders. All the evidence is quite to the contrary. Options enable large corporations to hold on to exceptional men who might otherwise be tempted to leave and start their own businesses. In this highly taxed age, high salaries are no substitute for equity participation.

Moreover, it is a fact that stock options serve a valuable purpose in corporate democracy. Without them, few of today's professional executives could accumulate even a modest estate for the protection and education of their families. Without stock option plans, the economic cards would be stacked entirely in the favor of those who already possess capital and against those who manage it.

And, in the last resort, no one can honestly say that stock options give something for nothing. Unless the company that grants the options flourishes, options have

no value. The top officials of such ailing companies as the Pennsylvania Railroad can attest to that. Some years ago the Pennsylvania granted some 80 options on almost 659,000 shares of its common at $21 a share to executives. As of now the options are of no tangible value to the optionholders. Nor will they ever be unless management can sufficiently reverse the railroad's fortunes so as to increase the price of the stock. If they succeed in this monumental task, it would be an ungrateful stockholder who would begrudge his management's sharing, to at least a small degree, in the fruits of its success.

OUR SPACE PROGRAM

Mrs. SMITH of Maine. Mr. President, one of the greatest privileges I have had as a U.S. Senator has been to serve on the same committee with Senator STENNIS, of Mississippi. We serve together on the Appropriations Committee, the Armed Services Committee, the Aeronautical and Space Sciences Committee, and the Preparedness Investigating Subcommittee. There is only one other Senator, who serves on all these committees—the senior Senator from New Hampshire [Mr. BRIDGES].

Senator STENNIS has been the chairman of several subcommittees on which I have served—and firsthand I have seen him in action. He is truly a leader. And as I stated in a lecture at the National War College this year, he is the man to watch in the years ahead on the direction of military policy in the U.S. Senate.

Recently on June 2, 1961, he delivered an address to the Mississippi Press Association in Biloxi, Miss. It is one of the finest statements I have ever read. It is practical—but yet it is fascinating. It is a message that should be repeated throughout the Nation. In fact, I expect to plagiarize it myself.

But to get the full impact of it, one must read and reread it. Because of this, I commend it to every Member of the Senate and the House of Representatives and I ask unanimous consent that it be printed in the RECORD so that it may be read and we can all profit from the wisdom and information in it.

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

OUR SPACE PROGRAM: WHERE ARE WE? WHAT SHALL WE DO?

(Address of U.S. Senator John Stennis)

President Wilkes, Mr. Harris, members of the Mississippi Press Association, and other friends, I am delighted with and grateful for the privilege to be with you tonight to share with you the friendship and fellowship of this special occasion. At the request of those in charge of your program, I speak this evening on the future development as well as the significance of our space program.

Eleven years ago when I became a member of the Senate Armed Services Committee, our front striking power was the old propeller-driven B-36 bomber, with its maximum speed of 270 miles per hour. The decision then to be made was whether to spend additional money and equip our bomber fleet with jets. To do so cost a lot of money. But, suppose we had not? We would now have a fifth-rate Air Force. A few years later, the decision was whether to put in the intercontinental ballistic missiles at a further enormous cost. But, again, suppose we had not? We would be an early and easy prey to an aggressor.

Now, the decision is whether we shall go on with our space program in an affirmative way and move forward in the exploration and development of outer space. When a man can be sent in orbit around the earth at 18,000 miles an hour with the precision of a Swiss watch movement, and then is brought back to earth without injury or even so much as a severe jar, the idea of a man in space, or weapons in space, is no longer a theory.

Suppose we do not move ahead? In all probability, the nation that dominates the earth 10 years from now will dominate it through space. I expect to back the development of our space program to the limit, as I have done in past years when I was among those urging greater support for the program, particularly its military phases.

Tonight, I raise these questions regarding our space program: Where are we now? In what areas do we excel? In what areas are we lagging? Why? What shall we do?

Already in this decade our scientists and technicians have made a daring leap forward—clear out of the earth's atmosphere and into space itself.

We have reached the first and most important plateau in the efforts of the free world to explore outer space for peaceful as well as military purposes—Commander Shepard's suborbital flight—a part of the way around the world at 18,000 miles an hour.

We have been handed the tools of science to explore outer space. Our work has just begun.

I will not belabor the point that we started 4 years too late in our missile and space development programs. And, further, once we did start, we proceeded with no sense of urgency to bring the programs to early fruition.

Facts revealed to us in congressional testimony show:

We could have orbited a satellite in 1956—1 year before the Russians.

We could have impacted the moon with a 100-pound payload in August of 1957, 2 years before the Russians, had we used the Redstone booster instead of concentrating on the Vanguard.

We could have achieved the suborbital flight of man in 1959 had we heeded the Army's advice to approve Project Adam in late 1957 and early 1958.

We could have started earlier and proceeded much faster with the clustering of our rocket engines, instead of waiting until now to speed up the Saturn program which will give us 1.5 million pounds of thrust or more.

We could have started earlier and proceeded full speed with the F-1 single engine which can be clustered later on to give us up to 10 million pounds of thrust.

In June 1959 the Army made a comprehensive study and proposal to put the first U.S. citizen on the moon in 1965, and to set up a permanent manned outpost there in 1966. This study, known then as Project Horizon, will no doubt be used to give us a headstart on the present plan to put man on the moon as fast as possible.

Not only lack of money but the lack of firm decision held our scientific and technical community in check.

Mistakes are valuable only in retrospect.

We must not assess blame, but we must face the facts. We are behind the Russians in many areas of space exploration. And this is tied directly to our lack of adequate rocket power—the power to pitch great weight beyond gravity.

One reason for the lag in rocket thrust was our success in producing lightweight nuclear weapons which required no great rocket power to put them on target.

Another reason is that the possibility of firing nuclear weapons from spaceships to targets on the earth was not anticipated.

Today, the Soviets probably approach this capability and we do not.

Now, the decision has been made to really explore space. The first step will be to expedite our efforts to explore the moon, and later, to land three men there and bring them back.

I believe that the making of this decision is the greatest breakthrough since the orbiting of Sputniks I and II.

This gigantic enterprise will involve the whole Nation and will cost many millions of dollars, but it will leave us with a technology and science that will be felt throughout the world. The doing of the work to accomplish such a feat is equally as important as the feat itself.

Our efforts to reach the moon are not an end in itself, but merely the beginning of even greater space accomplishments to challenge our talents.

Briefly these steps are involved:

First, we will send an unmanned satellite around the moon to gather photographic data. Then, we will send a manned spacecraft around the planet to gather additional data. And, finally, we will attempt to land the manned spacecraft and return it to earth.

The problems are astronomical—not the least of which are the methods to be employed for sustaining human life in the spacecraft for a period of several weeks or more.

The forming of a national decision on space is comparable to the decision we made regarding the airplane after World War I.

At what stage would our aircraft development be today if a decision had not been made to go forward? Furthermore, where would our Nation be today?

Without the benefit of our airpower through the years, we would exist today only as a satellite nation—if at all.

We can stay out of the technology of space only at the risk of the free world.

Weapons today are intercontinental in nature, and those instruments of destruction already on the drawing boards will shrink the globe even further.

The measuring spoon of our success in space exploration is the cooperation of our civilian and military scientists and technicians unbound by past traditions, unbound by skepticism, and unbound by lack of support from the American people.

The United States has started important programs on the application of satellites to the particular affairs of business and everyday life—and with complete success. These applications include weather forecasting, communications, and navigation. Here we excel greatly.

The successful launching of two weather satellites, TIROS I and II, are aiding us to understand the basic atmospheric changes which produce our weather. These satellites, still orbiting the earth, hold the possibility of weather prediction far beyond present methods. This will benefit agricultural production at a level never before dreamed.

The launching of a third Tiros will coincide with the hurricane season and will bring us closer to the day when we can change the course of hurricanes and tornadoes and provide rain for arid and parched regions, thus materially increasing the food production of the world.

This third weather satellite will give photographs to the Weather Bureau of impending storms—all of which may bring the possibility of killing such fierce storms in their infancy.

This alone, we are told, would more than pay the cost of all space explorations to come.

Transit, the navigation satellite, with expected improvements, holds the promise of

a revolutionary land, sea, and air navigation system. The ultimate goal is instantaneous, accurate positioning through the use of inexpensive radio receivers. Think for a moment the great boon this will be to our commercial shipping and cruise liners and to our military forces at sea.

Further, the age of space communications is near. And when it arrives, it will have as great an impact on our lives as the telephone, the radio, and television.

We have already successfully launched the Echo satellite, now in orbit, from which radio beams are still bouncing. From this development will flow even more sophisticated satellites capable of handling telephone conversations as well as transmitting radio and television signals to any part of the globe. The Department of Defense and the National Space Agency will spend upward of $100 million this year to develop such a satellite system.

In addition, 10 European nations have formed a Space Club, with its first and foremost project to develop and orbit a communications satellite.

RCA, A.T. & T., General Electric, International Telephone & Telegraph, Lockheed Aircraft, General Telephone & Electronics Corp., and others are all actively participating and spending their own funds in developing and operating a communications satellite system.

It is estimated that 3 million oversea telephone calls were placed in 1960. These will increase to 21 million in 1970, and to 100 million in 1980. Such a communications satellite system could handle this number and more—and at a fraction of the present cost.

The cost of this system, I am told, would be liquidated within 10 years.

It is estimated that by 1965 we will doubtless be receiving from London and Paris great volumes of news through the communications satellite system. It is possible that American publishers could send an entire facsimile edition of their morning paper to the capitals of the world.

I believe the day will come when one man, one program, can be seen and heard simultaneously in living rooms around the world.

The eyes and ears of radio and television upon the earth will foster understanding, not suspicion; cooperation, not frightened isolation; free exchange of knowledge and not mutation. Who can estimate this change?

And while all these programs involve vision, they are far from visionary. Unless we accelerate these programs, today's superiority can only too easily become tomorrow's inferiority.

Let me caution that space technology will eventually become the dominant factor in determining our national military strength.

Space is the new "high ground" in the military sense.

I find it difficult to separate the civilian and military aspects of space exploration. In fact, whoever controls space controls the world.

I am concerned about the Soviet ability to launch a space vehicle from an already orbiting satellite—as in the case of their recent Venus probe.

To me, this has great military implication. The feat adequately conveys to me the eventual ability of the Soviet to launch missiles from an orbiting platform to destroy earth targets.

Because of great rocket power, the Soviets can pitch 7 tons or more into orbit, giving them a space vehicle sufficiently large to house an appreciable amount of nuclear weapons plus sophisticated equipment.

Their space satellites, therefore, can be large enough to carry conventional instrumentation such as guidance and control mechanisms, and other necessary electronic parts.

Because our rocket power is limited, we must miniaturize all instruments and rely heavily on expensive ground facilities to reach our objectives.

In the next few weeks we will begin static or stationary tests of a prototype of the great F-1 engine. This single-chamber engine will generate some 1.5 million pounds of thrust and, in a cluster of eight such engines, may well become the first stage of the rocket that will put our first space ships on the moon before this decade ends.

There are other major phases where we excel.

We must not overlook the fact that man will always play an important role in the defense of our Nation, as well as in the exploration and development of outer space. His ability to use his intelligence, his education, his training, and other talents to make sound decisions in the light of changing conditions and environment will always be needed—and, in fact, can never be replaced by a machine.

Our efforts in the X-15 and Dyna-Soar programs are a recognition of this fact.

The X-15, a manned rocket which operates in a space-equivalent environment, has established a new altitude record of 32 miles, and a new speed record of 3,140 miles per hour. This height put it over more than 99.9 percent of the earth's atmosphere. This speed—over 3,100 miles per hour—was approximately 4½ times the speed of sound.

The Dyna-Soar is a project for a manned boost glide vehicle with an ultimate capability for global range and orbital flight. Once he has reentered the atmosphere, its pilot will have full control at a speed of about 15,000 miles per hour and he could return to the airbase of his choice.

Machines can never supersede the eyes of man.

The President's decision to proceed "full speed ahead" has called us before the klieg lights of the world—and our success in the venture will have worldwide impact.

From the Jinny to the Jet, and from Kitty Hawk to Cape Canaveral we have always succeeded in marshaling our talents and our financial resources to accomplish the task before us.

The President has asked for an extra $7 to $9 billion over the next 5 years to accelerate our space efforts, including an additional $679 million for the year starting July 1.

I will support this accelerated program as I have supported our space efforts over the last several years, when I have been among those who pushed for a larger program.

The common threat of destruction that hangs over all men in this atomic age and through the continuation of the cold war may be the force that unites us in entering a new decade of progress—a new era in which mankind pioneers the most exacting period of all history.

The task ahead is a difficult one, but not an impossible one.

It will require determination and sacrifice.

It is a task worthy of the American people—an opportunity and a challenge which, once they know the facts, they will be eager to accept.

It is a task which the fourth estate can help perform.

As descendants, lineally and spiritually, of the men who founded this Nation on a pledge of "their lives, their fortunes, and their sacred honor," to preserve their heritage, the American people will pledge no less now.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there further morning business? If not, morning business is closed.

HOUSING ACT OF 1961

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate resume the consideration of the housing bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate resumed the consideration of the bill (S. 1922) to assist in the provision of housing for moderate- and low-income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Mr. CLARK. Mr. President, I call up my amendment identified as "6-1-61—M" and ask that it be stated.

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

The LEGISLATIVE CLERK. On page 59 it is proposed to insert the following:

FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

SEC. 315. There is hereby authorized to be appropriated not to exceed $500,000 annually, for a three-year period commencing on July 1, 1961, to be used by the Housing and Home Finance Administrator for the purpose of providing fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as provided below. Persons shall be selected for such fellowships solely on the basis of ability. Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development. The Administrator shall, in the administration of this section, consult with, and secure the advice of, the Department of Health, Education, and Welfare.

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

Mr. CLARK. I am happy to yield.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. CLARK. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, how much time is there on the amendment?

The PRESIDING OFFICER. Twenty-five minutes on each side.

Mr. CLARK. Mr. President, I withdraw in favor of the Senator from Ohio, with the understanding that I shall not lose my right to the floor, for the Senator to speak on his own time.

The PRESIDING OFFICER. Who will yield time to the Senator?

Mr. LAUSCHE. We can charge the time to the opponents of the amendment.

Mr. CLARK. Charge the time in opposition. Mr. President, I ask unanimous consent that the Senator from Ohio may have charge of the time in opposition to the amendment.

Mr. KUCHEL. Mr. President, reserving the right to object, I wish to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. Under the unanimous-consent agreement, who has control of the time in opposition to amendments?

The PRESIDING OFFICER. The majority leader has control of the time in opposition, if he is opposed to the amendment; otherwise, the minority leader has control of the time.

Mr. SPARKMAN. Mr. President, I am not opposed to the amendment. Therefore, the control of time should go to some Senator who is opposed to the amendment.

Mr. KUCHEL. Mr. President, I am inclined to think that the distinguished Senator from Indiana [Mr. CAPEHART], the ranking minority member of the committee which wrote the bill, may be opposed to the amendment. At any rate, I should like to exercise the right of the acting minority leader to control the time in opposition. If that is agreeable, I shall be glad to yield 5 minutes to the able Senator from Ohio.

Mr. LAUSCHE. Mr. President, I desire to make a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from California yield 5 minutes to the Senator from Ohio?

Mr. KUCHEL. Mr. President, first I yield to my able friend the acting majority leader [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, so that there may be no further misunderstanding about the time to be controlled by the majority leader, when the majority leader is not present, the time will be under the control of the Senator in charge of the bill [Mr. SPARKMAN].

Mr. CLARK. And in the absence of both, could it be under the control of the proponent of the amendment?

Mr. HUMPHREY. It could be under the control of the proponent of the amendment, if that is agreeable to the manager of the bill.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, it is my understanding that under the unanimous-consent agreement only those amendments which deal with subjects germane to the substance of the bill are competent for consideration.

The PRESIDING OFFICER. The Senator is correct.

Mr. LAUSCHE. Mr. President, the bill before the Senate is a bill which deals with housing, both in a private and public capacity. The amendment of the Senator from Pennsylvania proposes the authorization of the expenditure of $500,000 for use in scholarships connected with the education of city planners. I challenge the germaneness of the amendment of the Senator from Pennsylvania.

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

Mr. LAUSCHE. It is my contention that scholarships have no relationship to the housing problem. The substance of the bill deals with construction and the providing of finance. It seems to me the committee, when it released the bill, omitted the subject of scholarships under the preliminary thought that such subject properly belonged in a scholarship bill and not in a housing bill.

I now yield to the Senator from Pennsylvania.

Mr. CLARK. Before the Presiding Officer rules I should like to have the Parliamentarian and the Presiding Officer consider one fact.

Mr. President, I yield myself 2 minutes.

I invite the attention of the Parliamentarian and the Presiding Officer to the fact that the title of the bill is: "To assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes."

A substantial amount of testimony was taken in the hearings in connection with the fellowship proposal. The fellowship proposal has been included in earlier housing bills brought to the Senate from the Committee on Banking and Currency. The amendment is entirely germane to the bill, and I ask the Presiding Officer to rule accordingly.

Mr. LAUSCHE. Mr. President, I repeat that I cannot understand how we can connect the subject of education with the subject of housing. The object of the bill is to develop within the country housing of a private and public capacity. The subject of education of persons who will scientifically deal with the problem is one of a completely different category. It may have been included in previous bills, when germaneness was not properly applicable.

As I understand the rules of the Senate, a rule of germaneness does not apply; but at this time, by consent, it has been declared that only those amendments which are germane to the subject of the bill shall be considered.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I yield.

Mr. CLARK. I ask the Senator whether he believes, as a former mayor of Cleveland who established the city planning commission of that city, that city planners are not only desirable but also necessary in order to promote orderly urban development?

Mr. LAUSCHE. I submit that planners are executors of urban development, but the subject of education still is separated tremendously from the subject of housing.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. LAUSCHE. I will yield in a minute.

When one speaks of education one speaks of one thing, and when one speaks of housing one speaks of something entirely different. I submit that though such items may have been included in previous bills it was permissible because the rule of germaneness did not apply. The rule of germaneness does apply to the amendment at this time.

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

Mr. LAUSCHE. I should like to ask the Senator a question. If the amendment is germane, what amendment would not be germane?

Mr. CLARK. A civil rights amendment.

Mr. LAUSCHE. A civil rights amendment?

Mr. CLARK. That is the purpose of having a germaneness section in the unanimous consent agreement, as the Senator well knows.

Mr. LAUSCHE. When one speaks of public housing, if one offered an amendment which would prohibit occupancy by all people equally, does the Senator claim that such an amendment would not be germane?

Mr. CLARK. In the Senate I think it would not be. In committee I think it would be.

I should like to ask my friend a question.

Mr. LAUSCHE. I think the civil rights amendment would be germane with far greater force than the amendment which the Senator from Pennsylvania has offered.

Mr. CLARK. Will the Senator answer a question?

Mr. LAUSCHE. Yes.

Mr. CLARK. Would the Senator tell our colleagues whether he agrees, first, that the title of the bill includes the promotion of orderly urban development; and second, whether he agrees that city planners promote orderly urban development?

Mr. LAUSCHE. Yes; but we still get back to the basic proposition that we are dealing with institutions of higher learning and education.

If the bill were applicable to city planners, scholarships for doctors, engineers, and financiers could be provided. There would be no scholarship of any character that could not be included under the bill if the theory of the Senator from Pennsylvania were sound. We could promote orderly urban development, including the training of sociologists and persons versed in the prevention of disease. There is no profession that would not come within the terms of the bill. I am not willing to submit that the rule of germaneness goes in that direction.

Mr. SPARKMAN. Mr. President, is it necessary for time to be yielded for the purpose of such debate, or would the debate be outside the allotted time?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Under the usual rules of the Senate, it is usual for the proponent of an amendment to use his normal time under the unanimous-consent agreement before an objection is raised and the objection is ruled on, if he cares to utilize that time.

Mr. SPARKMAN. Mr. President, it seems to me that when a question of germaneness is raised, it is similar to a parliamentary inquiry or any question of that kind, and there ought to be the right of appeal from the ruling of the Chair. Senators ought to be able to speak to the question without the time being charged to the bill or to the amendment.

At any rate, I should like to propound a unanimous-consent request. I ask unanimous consent that I may be permitted to speak to the question without the time being charged to either side.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object, I believe the able Senator from Alabama has a point. Though I rely on a faulty memory, my recollection is that when unanimous-consent agreements have been entered into in the past, provision has been made in the unanimous-consent agreement itself for consideration of parliamentary questions. Am I correct in my understanding?

The PRESIDING OFFICER. Under the procedure, appeals from the decision of the Chair are allotted time in the same manner as time is allotted in the case of an amendment. But the debate on the point of order is at the discretion of the Chair.

Mr. KUCHEL. When the Chair makes the statement "debate on the point of order is at the discretion of the Chair," does the Chair mean that in the discretion of the Chair the time will be allocated by the Chair and not under the unanimous-consent agreement?

The PRESIDING OFFICER. Under the usual rules the Chair is permitted to entertain debate so that he can inform himself on the question presented.

Mr. KUCHEL. Under those circumstances I wonder if the Senator from Alabama would proceed to speak if the Chair would indicate that he desires to be enlightened by the counsel of my able friend from Alabama.

Mr. SPARKMAN. I am a little too modest to suggest that I might enlighten the Chair. But, in accordance with the statement of the Chair, I was under the impression that time was not chargeable against the allotted time because the question as to whether the Chair will or will not hear any Senator, or the length of time that he will hear him, is wholly within the descretion of the Chair. Therefore, I have always been under the impression that the question was completely within the control of the Chair, and that the time used would be subject to control by the Chair and not by the allotment of time to the proponents and the opponents in connection with the pending amendment.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I address myself briefly to the question. It has been pointed out by the distinguished Senator from Pennsylvania that a large portion of the bill deals with urban redevelopment and slum clearance. A great deal of it has to do with providing housing in suitable areas of the type necessary to take care of persons who have been displaced by governmental action.

Throughout the hearings testimony was adduced as to the shortage of trained people available to aid the cities and towns to do the necessary planning.

I invite attention to the fact that the basic law, which is carried forward in the bill, requires a town, a city, or a region to have a workable plan before it can qualify for the benefits provided in the bill. It would be most exceptional for a small town of a few thousand people to have the personnel capable of building up a workable plan. Such planning would require the knowledge of someone who has been trained in city planning, town development, land utilization, and related subjects.

As has been stated, we have had such a provision in previous bills, and we certainly felt that it was germane.

The Senator from Ohio has said that the amendment deals with institutions of higher learning. It does so only incidentally. It deals with an effort to provide trained personnel to aid in the orderly development of community facilities, redevelopment, slum clearance, and the establishment of workable plans. All those subjects call for trained personnel; and the fact that to secure the necessary training one must attend a school or some institution of learning is wholly incidental.

The suggestion may be made that there is no provision in the bill regarding schools and institutions. I hope the Parliamentarian will listen to this point, because I think it is important. The bill provides for a research program for the Housing and Home Finance Agency and its component parts. Certainly it is contemplated that undoubtedly we will use according to the testimony, schools, colleges, and foundations for carrying on research.

Certainly the bill has as much connection with schools, colleges, and institutions of higher learning as does the provision about which we have spoken. In each instance it is incidental because the core of the question, in the case of research, is to learn new methods and new materials and to find out what is going on. In the other case the object is to obtain trained personnel to enable proper planning.

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

Mr. SPARKMAN. Yes; I yield.

Mr. CLARK. The Senator will recall that a substantial section of the bill deals with college housing. That, I believe, is education.

Mr. SPARKMAN. Of course, that is directly educational, but it has no relation.

Mr. CLARK. The Senator also recalls, does he not, that the bill contains a section dealing with urban renewal in connection with colleges and universities.

Mr. LAUSCHE. I believe the argument is pretty tenuous.

Mr. SPARKMAN. We are seeking trained personnel to carry out the intent of the bill, which is to establish better housing, aid in urban development, and aid in the planning of areas. We deal with mass transportation in one provision of the bill. Certainly that subject requires the most careful planning, and we shall need trained personnel. The proposed provision simply would make it possible for us to have such trained personnel. I submit that the objection of the Senator from Ohio ought not to be sustained.

Mr. LAUSCHE. Mr. President, I desire to reply to the Senator from Alabama.

The PRESIDING OFFICER. Does the Senator from Pennsylvania wish to use the remainder of the time allocated to him before the point of order is raised?

Mr. CLARK. I understand that I have that right, but I do not wish to insist upon it, because if the point of order is sustained I shall reluctantly be required to appeal from the ruling of the Chair. I do not want to take the time of the Senate to argue the amendment, which may never come to a vote on its merits. I shall waive my right under the rule to use the remainder of my time before the point of order is ruled on.

Mr. LAUSCHE. Mr. President, the Senator from Alabama points out that the bill deals with research studies to be made in the urban redevelopment program, and since there is an authorization to make research, he argues, the granting of scholarships that relate to research work can be made.

I cannot follow that argument. Scholarships in institutions of higher learning constitute a subject completely disengaged from the authorization to do research work. The Senator from Alabama points out that the orderly development of an urban community would imply the hiring of city planners. With that I agree. However I respectfully submit that we are required to do things in an orderly way in the Senate. If this subject, providing scholarships, had been introduced as a separate item, it would have gone to the Committee on Health, Education, and Welfare. It deals with education. It would have gone to that committee, not to the Committee on Banking and Currency.

Having been included in the bill without a germaneness restriction, the committee had the authority to deal with it, but with the consent agreement requiring germaneness I suggest it is not proper.

The Senator states that the bill deals with railroads. That is one of the vices of the bill. It covers the whole gamut of operations—railroads, urban development, slum clearance, public housing, scholarships. That is one of the reasons that I suggest that the challenge I make becomes increasingly more important. The bill should never have included all those items. The railroad people came before the Committee on Commerce. On that committee there was opposition raised to the subsidy. It was shifted over to the Banking and Currency Committee. I was amazed to find that it had been removed from the Commerce Committee, when the railroads were asking for a subsidy. How far can we go in stretching the term "germaneness?"

Let us get down to this point. Since railroads are included, is it germane to authorize scholarships for the learning of engineering and firing and braking and the development of communications? Since there is slum clearance in the bill, is it germane to develop scholarships for teaching health and sanitation officials? Since it includes urban planning, it is argued that the granting of scholarships for the development of planners is germane. Of course in the amendment it is stated that the teaching of sociology to architects and finance men and municipal managers is ger-

mane to planning. The bill contains a half dozen items on the basis of throwing a bit of bait over here, a bit of bait into this column, and a bit of bait over there, in the hope that it will accumulate and the bill be carried. I submit that if the bill for scholarships were submitted alone it would be referred to the Committee on Health, Education, and Welfare. That is where it belongs.

I respectfully accept the arguments of the Senator from Pennsylvania and the Senator from Alabama, but I suggest that the finely spun theories that they advocate would make germane any subject that anyone can possibly conceive of to the bill pending before the Senate.

I submit my case to the Chair.

The PRESIDING OFFICER. The Chair is prepared to rule. In the opinion of the Chair the key word is "fellowship." On the advice of the Assistant Parliamentarian, it would be well to call attention to the fact that in some of the matters heretofore considered by the Senate, such a parity legislation, where specifics were included, such as peanuts and corn, on an amendment pertaining to cotton, for example, when it was attempted to be offered to such a bill, the ruling of the Chair has been that the amendment would not be germane to the bill. Therefore, because of the fact that in the Chair's opinion the key word is "fellowship," and there is no reference to fellowship in the bill, the Chair rules that the amendment is not germane.

Mr. CLARK. Mr. Chairman, I appeal from the ruling of the Chair.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. The appeal which has been taken from the ruling of the Chair is subject to debate, I understand.

The PRESIDING OFFICER. That is correct; 30 minutes to a side is allowed.

Mr. KUCHEL. I wish to ask my able friend if he intends to ask for a yea-and-nay vote on his appeal.

Mr. LAUSCHE. The Senator from Ohio intends to do so.

Mr. KUCHEL. The reason why I ask the question is that my colleagues on the minority side will have concluded their deliberations, I assume, in another 10 minutes. Therefore, while I am glad to have a little fellowship take place in our Republican luncheon, I am nevertheless constrained to have my leadership on the floor when this matter is discussed. Under those circumstances, I ask unanimous consent that I may suggest the absence of a quorum, without the time being charged to either side.

Mr. MANSFIELD. I have no objection to the suggestion of the absence of a quorum, but I would suggest that the time be charged to the time on the bill.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum, with the understanding that the time be charged to the time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The Legislative Clerk proceeded to call the roll.

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

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

Mr. CLARK. Mr. President, I withdraw my appeal from the ruling of the Chair.

Mr. MANSFIELD. Mr. President, I express the hope that at some future time the Senator from Pennsylvania will consider offering such an amendment as he has in mind, because I think it has great merit. I think that at the right time and in the right place it can be given the consideration which I believe is its due.

Mr. LAUSCHE. Mr. President, does the Senator from Pennsylvania contemplate offering the amendment in connection with the pending bill?

Mr. CLARK. No.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I have an amendment to offer, but I must say, in frankness, that I have not discussed it fully with the Senator from Indiana [Mr. CAPEHART]. However, I understand that the Senator from Michigan wishes to offer an amendment.

Mr HART. Mr. President, I call up my amendment designated "6-7-61—A" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, between lines 10 and 11, it is proposed to insert the following:

(d) Section 223 of the National Housing ing Act is amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

"(b) Nothwithstanding any of the provisions of this title and without regard to limitations upon eligibility contained in section 221, the Commisisoner may in his discretion insure under section 221(d)(3) any mortgage executed by a mortgagor of the character described therein where such mortgage is given to refinance a mortgage covering an existing property or project (other than a one- to four-family structure) located in an urban renewal area, if the Commissioner finds that such insurance will facilitate the occupancy of dwelling units in the property or project by families of low or moderate income or families displaced from an urban renewal area or displaced as a result of governmental action."

On page 70, between lines 2 and 3, insert the following:

(c) Such section is further amended—

(1) by striking out in subsection (a)(7) the words "section 903 or section 908 of title IX" and inserting in lieu thereof "section 220, 221, 903, or 908"; and

(2) by striking out in such subsection the words "insured under section 608 or 908".

Mr. HART. Mr. President, the amendment is offered jointly by the distinguished junior Senator from Ohio [Mr. YOUNG] and the junior Senator from Michigan. I am sure the Senate has previously heard amendments described as minor. If they were adopted later, they were considered as major in scope. I think that without tongue in cheek I may describe this amendment as a minor amendment.

It is the understanding of the junior Senator from Ohio and myself that the sweep of the amendment would be very narrow, but in the areas affected it would be most helpful. The amendment is intended to allow existing nonprofit housing in urban renewal areas to be refinanced under the new long-term, low-interest-rate financing mechanism which is provided in both the Senate and House bills. It is my understanding that the Housing and Home Finance Agency enters no objection to the inclusion of this language.

Further, it is my understanding that only 32 multifamily, nonprofit projects have been insured under section 221. So even conceiving that all sought to persuade the commissioner, at most only 32 would be included.

The distinguished Senator from Alabama [Mr. SPARKMAN], the chairman of the subcommittee, has not had the fullest opportunity, I fear, to consider the amendment, although the Senator from Ohio [Mr. YOUNG] and I tendered it to him in draft form late yesterday. It is our hope that the Senate will agree to the inclusion of this language. It is our understanding that the bill as reported to the House did include the language.

I shall be glad to reply to any questions.

Mr. LAUSCHE. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield.

Mr. LAUSCHE. The Senator from Michigan has said there are 32 housing units or organizations which could avail themselves of this provision if it were included in the law. Is that correct?

Mr. HART. They are in the category of those made eligible to apply. The Commissioner would have to determine whether they should be permitted to participate. But under this language they would be eligible to make application.

Mr. LAUSCHE. If they did apply and if the applications were granted, what advantages would they obtain, over and above those now available under existing financing?

Mr. HART. It is our understanding that the terms would be reduced; the problem is as simple as that.

Mr. LAUSCHE. In other words, the interest rate would be reduced?

Mr. HART. Yes.

Mr. LAUSCHE. Would the amortization period be lengthened?

Mr. HART. I believe the latter also would apply, yes. The principal obligation would not be disturbed.

Mr. LAUSCHE. Is the interest rate, as it now exists, rather uniform as to the 32, or does it vary?

Mr. HART. I am not able to answer that question, but I assume that the rate varies. However, I speak out of complete ignorance as to that.

Mr. LAUSCHE. If the proposed advantage were made available to these units and if that principle were then adopted, would there be other debtors to the U.S. Government who could say, "We want to be released from our higher

rate of interest under our existing agreements, and we want to be granted the lower rate of interest provided in this measure."

Mr. HART. None other than the 32 that the Housing and Home Finance Agency indicates have qualified and are operating under section 221.

Mr. LAUSCHE. The Senator from Michigan does not know the interest rate they now pay?

Mr. HART. I regret that I do not know it.

Mr. LAUSCHE. But if they were allowed the advantages of the present bill, what would the interest rate be?

Mr. HART. Under the terms of the present bill, it would be below the market rate.

Mr. LAUSCHE. Can the Senator's aide help in providing some idea in regard to what the difference in the interest rate would be—whether one-half of 1 percent or 1 percent, for example?

Mr. HART. I am advised that the rate would be about 5¼ percent, for a nonprofit operation under section 213.

Mr. LAUSCHE. Let me repeat the question: If we permit these 32 companies to take advantage of this proposal and thus procure a lower interest rate than the one they are now paying, are there other borrowers and debtors who later would be able to say, "You made this law available to these 32; and now we, as individuals, want it made available to us."

Mr. HART. I think we should make very clear, in supporting this amendment, that our intention to have this kind of consideration granted results solely from the character and the nature of the 32 undertakings.

These are not typical or traditional commercial enterprises. The sponsors of this amendment have no intention, by proposing the inclusion of this language, to broaden the invitation, so as to invite others to participate.

Mr. LAUSCHE. Conceding that to be a fact, suppose the others were to say, "Our interest rate under our existing obligations is 1 percent higher than the rate you are charging these new borrowers, and we want our interest rate reduced."

Mr. HART. If I correctly understand the question, I reply by stating that this is not a proposal which would reduce the rate in futuro, for a new borrower. It is to apply the lower terms to the existing 32, or to so many of them as in the judgment of the Commissioner merit it—so many of the existing 32 as are financed under the existing section 221.

Mr. LAUSCHE. I have no further questions.

Mr. CAPEHART. Mr. President, will the Senator from Michigan state exactly what the amendment is limited to?

Mr. HART. It is to allow existing, nonprofit housing——

Mr. CAPEHART. Nonprofit?

Mr. HART. Yes; to permit existing nonprofit housing in urban renewal areas to be refinanced under the new financing mechanism provided in the pending bill.

Mr. CAPEHART. Does the Senator from Michigan mean at a lower rate of interest?

Mr. HART. Yes.

Mr. CAPEHART. In other words, under the existing law, as it may be affected by the proposed act?

Mr. HART. That is correct.

Mr. CAPEHART. Is it limited to urban renewal projects?

Mr. HART. Yes.

Mr. CAPEHART. It seems to me that, as written, the amendment is much broader than that.

Mr. HART. Assuredly it is not our intention to make it broader than that.

Mr. CAPEHART. Can the able Senator from Michigan give us an example of exactly what he wishes this amendment to do?

Mr. HART. Yes. I cite a case that is of concern to the junior Senator from Ohio. As I understand, an urban renewal housing project in a suburb of Cleveland has brought this question to our attention. It is a housing development financed under section 221; and if this amendment were adopted, it would then be in position to apply to the Commissioner for a reduction in the terms of its obligation—not with respect to the principal, but for a lower rate of interest and an extension of time; and, by so doing, several of the ventures—nonprofit in all cases; these are community-housing projects—might be in a position to improve materially the condition of their surroundings; but the maintenance of the obligation under which they now operate imposes a very great difficulty on them.

Mr. SPARKMAN. Mr. President, will the Senator from Michigan yield to me?

Mr. HART. Certainly.

Mr. SPARKMAN. I have consulted with some of those in the Housing and Home Finance Agency; and I am told that the amendment is satisfactory to them, and that it does cover groups already FHA insured and operating wholly within urban renewal areas, and is not wide open, as was first thought. So I am willing to accept the amendment. I do not know whether it will be in the House version of the bill. If it is not, and if there should be a desire to draft different language, we could do so in conference.

Mr. ROBERTSON. Mr. President, I hope the chairman of the subcommittee will not go any further than the bill already goes in setting precedents to do unsound things.

This amendment is not one for a sound program. It is an invitation to others to request the same type of privilege. This bill has already gone very far in that direction. It contains provisions for many new things—for example, for the 40-year, no-downpayment arrangement, and for reduced interest rates, for those who have not been displaced by Government action; and it reserves $50 million of grants for mass transportation in cities from the $2,500 million authorized for urban renewal. The total lacks only a few hundred million dollars of being as much as the total amount we have authorized over as long as 24 years for the same housing programs; and the bill contains provisions for many new things. So we should not go further than we already have gone.

Mr. SPARKMAN. Let me say to the chairman of the committee that I am told by officials of the Housing and Home Finance Agency that this amendment really covers a few properties upon which the FHA already has the insurance. I think some of the properties lie in Detroit, and perhaps one is in Cleveland. I understand there are only two or three, all told. The FHA officials inform me that this amendment would allow them to deal with a difficult situation in connection with properties on which they already have insurance.

Mr. ROBERTSON. That in itself would not be objectionable. But what assurance do we have that this does not set a precedent that will be expanded later and get us into great difficulty?

Mr. SPARKMAN. It is limited to properties the FHA has already insured, and it is limited to properties wholly within urban renewal areas. That field cannot be expanded very much. Certainly, it is within the discretion of the FHA as to which properties would be covered. It gives the FHA a little flexibility in handling the property.

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

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. I read the language of the proposed amendment, and it states that:

> The Commissioner may in his discretion insure under section 221(d)(3) any mortgage executed by a mortgagor of the character described therein where such mortgage is given to refinance a mortgage covering an existing property or project (other than a one- to four-family structure).

To me it means that the Commissioner will be permitted to refinance every loan except those dealing with one- to four-family structures.

If he can refinance, at a reduced rate of interest, all loans other than on one- to four-family structures, on what theory of equity will we later deny the application of a loan on one- to four-family structures if persons come before Congress and ask for such relief?

I am following up the statement of the Senator from Virginia, in which he said that the precedent would be established for others to come to Congress and ask for similar treatment.

Mr. HART. Mr. President, I think a proper reply might be that this is a manageable and controlled area, for, at most, 32 categories. I have no idea of how many would be included in one- to four-family structures, but, as a manageable limitation, I think we can justify the inclusion of, at most, 32 types. We can properly take the position that we cannot go up to 32,000, or whatever number the addition would be.

Second, I want to make clear that it is the intention of the offerers of the amendment, the Senator from Ohio [Mr. YOUNG] and myself, not to permit this provision to be applicable to other than FHA-insured property in an urban renewal area.

Unless we understand that, we are talking about a large barrel of apples. But restricted as it is, I think adequately, by definition, and clearly by this discussion in the RECORD, I would hope that the distinguished chairman of the subcommittee might be able, in discussion with the House Members, to insure against any broad application, and yet make available to any 1 of these 32 nonprofit undertakings which, in the judgment of the Commissioner, qualified, the opportunity more easily to adjust to its obligation.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. HART. I yield.

Mr. SPARKMAN. I have a copy of the original amendment. I do not have the printed amendment, but I think the Senator can find what I am referring to. In the second paragraph, where there is reference to section 221(d)(3) it reads:

> Any mortgage executed by a mortgagor of the character described therein where such mortgage is given to refinance a mortgage.

I wonder if the Senator will modify his amendment to this effect: After the word "mortgage," the last word I read, insert the language "insured under this act and covering an existing property."

That would definitely make it clear it was property already insured by FHA that was included. I know that is what he intends.

Mr. HART. That is clearly our intention. We accept the modification.

Mr. SPARKMAN. It would make sure that FHA would be insuring its own property.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. YOUNG of Ohio. I am sure that suggestion should be accepted.

Mr. HART. We are glad to do so.

Mr. LAUSCHE. Mr. President, if the Senator will yield, I want to see if I understand clearly what is meant here.

In line 5 of the amendment on page 2, in parentheses are the words "other than a one- to four-family structure."

My question is, Is it contemplated to exclude one- to four-family structures from the benefits of this proposal? Am I correct in that understanding?

Mr. SPARKMAN. That is my understanding.

Mr. HART. That is our understanding.

Mr. LAUSCHE. Next year if owners of one- to four-family structures come before Congress and say, "You reduced the interest to the 32. In justice, you ought to reduce it to us. We are no different from these other 32 for whom you reduced the interest rates," how will we answer that question?

Mr. HART. As I have indicated, the only reply I can suggest at the moment is that the proposal offered by the Senator from Ohio [Mr. YOUNG] and myself is, even assuming the 32 projects persuaded the Commissioner they should be given the benefits of this provision, it would be a sound limitation. I assume if the one- to four-units were included, short of a wild guess, no one could predict the number, and clearly it would serve to undermine the many other worthy undertakings provided for in the measure. We take the position that this is a manageable exception, and will be defensible, when, as the Senator from Ohio has suggested, a year from now, other representations will be made.

This is a judgment I would much prefer the committee to make, but so far as the Senator from Ohio and I are concerned, we feel it is meritorious.

Mr. LAUSCHE. I fear that a precedent will be established whereby in the future those who have one- to four-family structures under FHA will say, "I am a citizen of this country. You have reduced the interest for 32. Why do you not reduce it for us?" I do not see how the Senator is going to answer that question.

Mr. SPARKMAN. Mr. President, did the Senator modify his amendment?

Mr. HART. I did. The Senator from Ohio [Mr. YOUNG] may wish to make a comment.

Mr. SPARKMAN. In order to make certain, Mr. President, I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. Has the amendment been modified?

The PRESIDING OFFICER. It has not been. Will the Senator send the modification to the desk?

Mr. HART. The language suggested by the Senator from Alabama is acceptable. We ask that the amendment be modified in that regard. That would appear on line 4, page 2, I believe.

Mr. SPARKMAN. Mr. President, may I state the proposal?

Mr. YOUNG of Ohio. It is agreeable to me, Mr. President.

The PRESIDING OFFICER. Will the Senator send the modification to the desk?

Mr. SPARKMAN. May I read it, please, Mr. President?

In line 4, page 2, after the word "mortgage" insert the words "insured under this Act and".

Mr. HOLLAND. Where the word "mortgage" appears the second time?

The PRESIDING OFFICER. The word appears twice.

Mr. SPARKMAN. Near the end of the line, after "mortgage," insert the following words: "insured under this Act and".

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. LAUSCHE. Mr. President, I wish to have the RECORD show that I am of the belief this will be the beginning of serious complications in future years. I cannot become convinced that we shall be able to resist the demands of the one- to four-family mortgagors when they come to ask for a reduction in interest. They will argue, "In the new bill you have given a reduced rate of interest. Our rate of interest should be reduced." I do not believe we shall be able to say no to them. For that reason I should like to have the RECORD show that, in spite of the fine purpose of the sponsors of the amendment, I think a dangerous precedent will be created and the floodgates will be thrown open for serious complications in the future.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. HART. I yield to the Senator.

Mr. HOLLAND. I am sure there was a reason, so may I ask the reason for the omission from the amendment of the smaller structures covered by the words "other than a one- to four-family structure".

Mr. HART. It is my impression that the displacement of so many persons concentrated in these 32 nonprofit housing ventures would create such a compelling, and I assume appealing, picture that the proposal is aimed to include only up to those 32. The difficulty of refinancing in several of these cases, in order that moneys be released to improve the general community atmosphere of these very large housing projects, is the reason behind the offer and the reason for the restriction.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. HART. We are talking about projects, rather than a one- to four-family group.

Mr. HOLLAND. The words relating to exemption from the coverage of the amendment, as I read them, are "other than a one- to four-family structure". It does not say "project".

My second question is: Are there any such smaller structures within the 32 projects to which the Senator from Michigan has referred and to which his amendment is directed?

Mr. HART. It is my understanding that the word "structure" in this field has become a word of art and refers, really, to projects.

I am advised there are not, as such. These are multifamily structures.

Mr. HOLLAND. Does the Senator mean to advise the Senate there are no small structures, one- to four-family structures, in the 32 projects which he intends to cover by the amendment?

Mr. HART. I am in a position to respond only by saying it would be a very rare exception if that were the case.

Mr. HOLLAND. I thank the Senator.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I yield back any time allotted to me.

Mr. HART. Mr. President, I yield back my remaining time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. HART], for himself and the Senator from Ohio [Mr. YOUNG].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, for myself and the Senator from Utah [Mr. BENNETT] I call up amendment 6-1-61—H and ask to have it stated.

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

The LEGISLATIVE CLERK. On page 8, it is proposed to strike out lines 4 through

9, and insert in lieu thereof the following:

(10) striking out in subsection (d)(5) the words "forty years from the date of insurance of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser" and inserting in lieu thereof the following: "thirty years from the date of insurance of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements, whichever is the lesser: *Provided*, That any such mortgage may provide, under such regulations as the Commissioner may prescribe, that (1) during the first through the fifth year of the amortization period the level total payments of principal and interest shall not exceed an amount equal to the level total payments of principal and interest on a mortgage in the same principal amount having an amortization period of not to exceed forty years, (2) during the sixth through the tenth year of the amortization period the level total payments of principal and interest shall not exceed an amount equal to the level total payments of principal and interest on a mortgage in the same principal amount having an amortization period of not to exceed thirty years, and (3) during the balance of the amortization period the level total payments of principal and interest shall not exceed an amount equal to the level total payments of principal and interest on a mortgage in the same principal amount having an amortization period of not to exceed twenty years";

Mr. CAPEHART. Mr. President, the amendment has to do with the 40-year, no-downpayment section of the bill as it applies to houses which are to be sold.

The bill as it is now written would permit the FHA to insure mortgages up to 40 years with no downpayment required, for houses in value up to $15,000. This amendment seeks to make a compromise with respect to the 40-year, no-downpayment provision, which many people oppose on the ground it is unworkable, impractical, and not good business.

In other words, if a man is to be sold a house in value up to $15,000, with no downpayment, and he is to be given 40 years to pay for it, it is simply not in the best interests of the man who buys the house, not in the best interests of the FHA, and not in the best interests of the building industry. The man may move into the house, and then move out; the Government will then have a house on its hands. The man may keep the house in good repair, and he may not.

I am fearful that under the section in the bill we shall have trouble. I am one who regrets it was ever injected into the picture.

The amendment would simply provide that the 40-year provision would be retained, except that for the first 5 years the payments, on a $10,000 home, would be $49.89. A better way to state it is to say that for the first 5 years the man would make his payments on the basis of a 40-year mortgage; for the second 5 years, for years 6 to 10, he would make payments on the basis of a 30-year mortgage; and for the next 20 years he would make payments on the basis of a 20-year mortgage; which would make the overall mortgage time 30 years.

This provision is for the middle income man, who perhaps will be a young fellow getting started. It would give him an opportunity, first, to buy a house without any downpayment; and, secondly, for the first 5 years an opportunity to pay for the house on the basis of 40 years; the second 5 years on the basis of a 30-year mortgage, and the last 20 years on the basis of a 20-year mortgage.

I shall give an example of how such a plan would work. Consider a $10,000 home mortgage at 5¼-percent interest. The homeowner would pay $49.89 a month during the first 5 years. The next 5 years he would pay $55.22 per month. Then for the next 20 years he would pay $66.38 per month. From a generous standpoint this plan would give the homeowner an opportunity to buy his house without any downpayment. He would make much lower monthly payments for 5 years, and we would hope that, moving into a new house, he would have a good job, that his income would increase, and that he would be able to pay for his house faster. In other words, as time went on, his monthly payments would increase.

I see no objection to the amendment. It seems to me the amendment would accomplish what the most liberal might want and, at the same time, I think it would improve the businesslike quality of the bill.

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

Mr. CAPEHART. I yield.

Mr. ROBERTSON. Some of the members of our staff feel that mortgages under the proposed plan would not be very workable if for 5 years one rate of payment was provided, and then the payment were increased for the next 5 years to another rate, and then increased to a third rate. The Senator from Virginia was opposed to the entire proposal. I believe such a plan would be worse than public housing, because under public housing communities contribute 20 percent. Under the present proposal the Government would insure the entire amount. The entire loan could be unloaded on the Government. Seven hundred and fifty million dollars would be made available through FNMA, plus $193 million already outstanding in uncommitted authority. Why does not the Senate merely provide that the time limit shall be 30 years, and leave out the staggered payment plan? I think such a staggered payment arrangement is confusing.

Mr. CAPEHART. I presume the Senator well knows the reason, since yesterday his amendment to strike the 40-year term from the bill was rejected. I am in favor of striking out entirely the proposal for a 40-year term with no downpayment. I do not think such a plan is needed. The Senator will remember that an amendment to accomplish that purpose was lost yesterday. My amendment is a compromise to try to make a better bill out of the existing one.

Mr. ROBERTSON. I believe a 30-year term would be better than a 40-year term, but I think staggered payments complicate the amendment of the Senator from Indiana. Such an arrangement makes the amendment less attractive, though I intend to support it.

Mr. CAPEHART. Does the Senator from Virginia believe that the term should be made 30 years?

Mr. ROBERTSON. Thirty years. Let those in authority determine how much the payments each year shall be. The information I have received from members of our staff is that the plan I have suggested would be more workable.

Mr. CAPEHART. The Senator has a right to offer an amendment to that effect.

Mr. ROBERTSON. I shall leave the question to the Senator from Indiana, for it is his amendment. Though the Senator wishes to stagger the payments, the experts with whom I have talked have said the plan would be less workable than if the term were 30 years without the staggered payments.

Mr. CAPEHART. I would be willing to make the term 30 years. At present there are mortgages containing terms of 30 years. There would be nothing new about such a plan. We would not need the amendment at all if we could make the term 30 years, because such a provision is a part of the present act.

Mr. ROBERTSON. This provision includes no downpayment.

Mr. CAPEHART. The Senator is correct, but at the present time we sell homes to GI veterans with no downpayments and with mortgages having terms of 30 years.

Mr. ROBERTSON. And we are losing money.

Some of these low-rate mortgages which the Government must guarantee are in default. A report of the FHA which we have just found states that there are more defaults than ever in the history of the act. As of March of this year 33,000 families were in default on mortgages. The number is slowly piling up. Now we are being invited to expand programs that we know are now losing money, and the losses could be placed on the backs of the taxpayers of the Nation. We know that many of our financial institutions may not accept 40-year mortgages. We have provided $750 million for FNMA to buy them. The plan would provide better housing for moderate income groups who cannot get into low income public housing, and FNMA would carry the burden. But I suggest that if we are to foreclose such mortgages, we had better do so in 30 years rather than in 40 years, because in 40 years a house could have fallen down and the Government would not get anything.

Mr. CAPEHART. I agree with the able Senator from Virginia. As I said a moment ago, yesterday there was a vote on the question as to whether to eliminate the provision for mortgages having a 40-year term with no downpayment. The Senate had an opportunity to vote upon such amendment, and did so. The Senate voted to retain the provision in the proposed legislation. The provision we were speaking of yesterday had to do with rental housing.

My amendment deals with sales housing. All we are recommending is that the no-downpayment provision be retained, that provision be made for a certain rate of payment for the first 5 years, for the second 5 years, the rate for 30-year mortgages, and a rate of payment over a 20-year period.

I think it is a good amendment. I was hopeful that the Senator in charge of the bill would accept it, but he seems disinclined to do so.

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

Mr. CAPEHART. I yield.

Mr. DOUGLAS. The memory of the Senator from Illinois is frequently faulty, but as I sat here listening to the Senator from Indiana, his statements somehow struck a familiar note. My mind went back to 1954, and I could fancy that I remembered the Senator from Indiana in committee—and I think also on the floor of the Senate—advocating a 40-year, no-downpayment program. As I say, the Senator from Illinois frequently makes mistakes, so I would like to ask my good friend the Senator from Indiana, whether my memory is faulty, or whether such advocacy actually took place?

Mr. CAPEHART. The Senator's memory is a trifle faulty.

Mr. DOUGLAS. Did or did not the Senator from Indiana advocate a program providing for a term of 40 years with no downpayment?

Mr. CAPEHART. The problem was entirely different from the one which we are now discussing.

Mr. DOUGLAS. The reply of the Senator is evasive. Did the Senator advocate "40 years and no downpayment" in 1954 or did he not?

Mr. CAPEHART. Mr. President, the section of the bill about which we are talking, and which I am trying to amend, has to do with sales housing. The subject to which the able Senator from Illinois is referring, which was discussed many years ago, related to public housing. I remember the discussion very vividly. We discussed whether or not it would be better, under public housing, to build individual houses for people than to build apartment buildings. We discussed whether it would be better to get the individual houses away from the cities and build individual housing under the public housing authority. Those houses were to be rental housing. We were talking about public housing—housing for the extremely low income groups, or people who were unable to afford normal rental. We proposed the plan on the basis that the Government would subsidize such housing as the Government subsidizes public housing, with which we are all familiar.

The program about which we are talking today has to do with any house selling for $15,000 or less, whether it be a house owned by a person with low income, a man with middle income, or even an individual with an income of $1 million a year. We are talking about a section in the present act which would permit FHA to insure mortgages up to $15,000 with no downpayment and 40 years to pay. That is the group about which we are talking.

Mr. DOUGLAS. Mr. President, will the Senator answer my question?

Mr. CAPEHART. I answered the Senator's question.

Mr. DOUGLAS. I do not believe you gave a direct answer.

Mr. CAPEHART. I do not think I or anyone else could make the answer any more explicit or plain than I have done. I gave the Senator my answer. I said I advocated it back in those days——

Mr. DOUGLAS. Good.

Mr. CAPEHART. As a part of public housing, with respect to low income groups, in a discussion as to whether or not we should build individual houses under public housing, and remove such housing from the cities. The discussion, I repeat, related to public housing.

Mr. DOUGLAS. Mr. President, will the Senator yield on this point?

Mr. CAPEHART. Also at that time we desired to obtain housing for people who were displaced.

Mr. DOUGLAS. That is the point—people displaced. The Housing Administrator proposed a 40-year, 100-percent mortgage loan, fully insured by FHA; and my record shows that the Senator from Indiana supported that measure.

Why should the Senator from Indiana object in 1961 under a Democratic administration to what he favored in 1954 under a Republican administration?

Mr. CAPEHART. The answer is quite simple. We were talking about persons who have been displaced by governmental action. I supported such a bill, and I would support it again. We are not talking about displaced persons.

Mr. DOUGLAS. It provided for a 40-year mortgage and for no downpayments.

Mr. CAPEHART. Yes. It referred to persons who were displaced as a result of governmental action, when they were forced to leave. Now we are talking about anyone who wants to buy a house valued up to $15,000, whether he has been displaced or not, and even though he is worth a million dollars. Anyone can get a house worth up to $15,000 under the provision in the bill, and he need not make a downpayment.

Mr. DOUGLAS. There are to be income tests. It is primarily designed for people who earn $4,000 to $6,000 a year, which is too much for them to get into public housing and too little for them at the present time to buy satisfactory housing under ordinary methods of financing.

Mr. CAPEHART. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Fifteen minutes.

Mr. CAPEHART. Does the unanimous-consent agreement provide for 15 minutes of debate on each side?

The PRESIDING OFFICER. Thirty minutes on a side.

Mr. CAPEHART. One hour on each amendment, with 30 minutes to a side?

The PRESIDING OFFICER. The Senator is correct.

Mr. SPARKMAN. Mr. President, I rise for the purpose of opposing the amendment offered by the Senator from Indiana. It relates to sales property. The amendment yesterday related to rental property. There are only a few points I wish to mention very briefly. This is something that a great many people have been thinking about. They seem to believe that because of the so-called no-downpayment provision, the long term over which the mortgage is to run, that the equity in the home builds up slowly, and therefore the purchaser of the home may move out and leave it. The Senator from Indiana made that statement.

Regardless of what one may think, that has not been the record. We have been in the housing business—that is with respect to the Federal Government extending some aid to housing—for 25 years or more. We have a long record of experience in this field. People do not move out and leave the houses. They did not do it in the depth of the depression, back in the days of the early 1930's. The Home Owners Loan Corporation—probably the most daring venture that was ever undertaken—was organized to take over the mortgages from the insurance companies and the banks and the financial institutions which found themselves loaded down with home mortgages on which the people were not able to meet the payments regularly.

People did not move out and leave these properties. The Home Owners Loan Corporation over a period of some 10 or 15 years—20 years, perhaps—worked out that most difficult situation and actually ended up with a profit, which it paid into the Treasury of the United States. It is one of the most remarkable feats ever performed. It was done on the basis of the security of the American home, the best credit that can be given in this country. That is the man and his family who live in a little home they call their own. They work for it and pay for it.

There is one other point that I wish to make, and this is particularly significant in connection with the 40-year term of the mortgage. Experience has shown us that regardless of what the length of the mortgage is, the average mortgage is paid off in from 10 to 12 years. It just does not continue to run. The American people pay their debts. They pay their mortgages.

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

Mr. SPARKMAN. I yield.

Mr. CAPEHART. Is not the Senator making the best argument that can possibly be made that we do not need a 40-year mortgage provision?

Mr. SPARKMAN. No. The reason for the 40-year mortgage is to provide a low monthly payment, so that the person with a low income can afford it. That is the reason for it.

Mr. CAPEHART. Where does he get the money to pay it off?

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

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. Is it not true that we received a report from the General Accounting Office, to the effect that under the section 221 program more people had bought under that program than

were originally entitled to do so; that almost anyone was permitted to go into the program, whether displaced or not; that the program was opened up to almost everyone and more people came in than it had originally been contemplated would come in?

Mr. SPARKMAN. I did not see the report. I am sure that the Senator is quoting the report accurately.

Mr. ROBERTSON. When they got into the 40-year program, they did not pay, and the insurance fund for this particular section is in the red. That is true. I can read the language if the Senator wishes me to do so.

Mr. SPARKMAN. Yes, if the Senator will be kind enough to read it.

Mr. ROBERTSON. I read from the Comptroller General's statement at page 24 of the report:

> Because of the complexity of the program and because it has not benefited directly an appreciable number of eligible families who are being displaced by governmental action, we believe that the Congress may want to review the results of the program together with the underlying factors contributing to the results to ascertain what can be done to make the program more effective.

The Comptroller went on to state:

> The largest portion of the costs and risks assumed by the Government under the section 221 program is for families who were not intended to receive the benefits of the program.

There was a special group. It was not possible to sell houses to all of them, and so the program was opened up, after a 60-day waiting period, to anyone. Some people who had applied were not properly appraised as to their ability to carry the mortgage.

They probably said, "It is for 40 years. Why not go into it? What is to keep us out? It is for 40 years. We can live in the house for 20 years and then we can say goodby to the house. That is what they did."

Now it is planned to open it up as an experiment. We now propose to open it up, not only to displaced persons, but to everyone; $750 million is provided at the start for FNMA to buy the mortgages. The Comptroller General has implied that the new reserve fund will be in the red because people who have little or no incentive to save will move in; they may not intend to pay; or else they may not have the financial ability. Under the existing program, some occupants have not been properly screened as to their ability to carry the mortgage they have assumed. The taxpayers are invited to lose on an experimental program in 2 years. It all may come in 1 year—$750 million is sought for FNMA to help support a program which has already been proved to be a wasteful one.

Mr. SPARKMAN. I appreciate the statement of the Senator from Virginia. I must say, in all deference, that I fear he has read into the statement from the General Accounting Office some interpretations which may not be sustained by the facts.

We have a new program. I will admit it was designed, as the Senator from Indiana [Mr. CAPEHART] says, for the placing of persons who were displaced by governmental action. But it was learned—and we learned by experience—that many of those people actually did not want to move into those homes. Therefore, rather than to leave them empty, it was decided that after 60 days those homes would be made available to other persons. As a matter of fact, there is a 60-day lag right there, in which many of the properties are empty.

If the statement of the General Accounting Office is analyzed, it takes into account all of the drag and all of the properties which may be in default. I assume they may have to take them over, not considering the fact that they can work out a great many of them.

I submit that the section 221 program is not yet old enough for us to say that it proves one thing or another. But we do have a section 221 program for a term of 40 years and 100-percent insurance.

Let me call attention to this fact. It is not technically correct to say that this is a no-downpayment program. Actually, there is a downpayment of $200, which includes the closing costs. It is technically correct to say that it is a 100-percent insured program; but there are several 100-percent insured programs, and there are several 40-year mortgage programs. I do not believe it is quite right to center the attack upon the continuation of this program and the expansion of it to make it possible for lower income people to try to buy homes.

Mr. ROBERTSON. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. Did I correctly understand the Senator from Alabama to say that there has not been time enough to determine whether the 40-year program was working?

Mr. SPARKMAN. No; I referred to the section 221 program. There has been a 40-year program under section 213 since 1950.

Mr. ROBERTSON. How long has there been a section 221 program?

Mr. SPARKMAN. Seven years.

Mr. ROBERTSON. Does the Senator believe that by expanding that program we can get the necessary information in 2 years to determine whether to continue it or not?

Mr. SPARKMAN. Certainly we can decide whether it will be usable, so as to meet the needs of the people. I think that is the heart of the question.

I hope the Senator from Indiana will listen to this statement. He says this would be an ideal arrangement for a young couple. There is much merit in having a reduced payment over the first 5 years. I remember when I was a young man I took out some insurance policies in that manner. Then I stepped them up. But I was beginning the practice of law. I knew I had to go through a starvation period, so to speak. I hoped that at the end of 5 years I would be getting a better income, and I was. I was then able to make the increased payments. So it is with the average young person.

As a matter of fact, I have at different times urged the adoption of a different program—and the FHA can do it administratively in its regular program—whereby payments will be dropped in the first 5 or 10 years, or whatever period is necessary, and then the payments can be increased. That is fine for the young family, which is reasonably expecting an increase in income.

But that is not what this housing is designed for. This housing is designed for the person who is middle aged, and he may be a typical person. He would be a person whose income has leveled off. He would be perhaps a person who was a manual laborer or a person who worked at a fixed-income salaried job, where there was no chance for his income to grow. He would be that person whose income, as I pointed out yesterday, would be $6,000 a year or below, and who is pretty well excluded today from the market for housing which is new, safe, decent, and sanitary. The Senator from Indiana by the proposal he offers today would continue that exclusion. That is what makes it objectionable, in addition to the objection which the Senator from Virginia has raised against it, as to its administration.

Mr. ROBERTSON. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield to the Senator from Virginia.

Mr. ROBERTSON. I know that the distinguished Senator has on numerous occasions appealed to his Democratic friends in connection with the bill by saying that this is the administration's position.

Mr. SPARKMAN. Yes.

Mr. ROBERTSON. On the question of the staggered loan amortization basis, this is what the Senator from Alabama sent to me as the administration's position:

> In addition, lenders would be adverse to making this type of mortgage loan because they would be difficult to service and to market. The proposal would result in the creation of a single mortgage having three separate amortization rates during the life of the mortgage. This would create the type of mortgage which is not conventionally used by lenders. The changes in amortization would require the use of special amortization schedules and the necessity for a lender setting up special bookkeeping procedures for changing the amount of the mortgagor's monthly payment at the end of the first 5 years and at the end of the second 5 years. In addition to the added bookkeeping expense to mortgagees, a lender would encounter difficulty in selling this type of mortgage on the money market.

Mr. SPARKMAN. I agree with that statement.

Mr. ROBERTSON. I thought the Senator said it was a good thing to let a man start with low payments.

Mr. SPARKMAN. No; I said that in connection with the regular FHA program. I have discussed the question with the FHA to see if they could adopt some kind of credit system. I said they could do it administratively. They have practical reasons. As I pointed out, the Senator from Virginia had stated those reasons previously, and I agreed with him.

Mr. President, if the Senator from Indiana will yield back the remainder of his time, I will yield back the remainder of my time.

Mr. CAPEHART. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

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

I hope every Senator will understand that what we are now talking about is a new section of the Housing Act which directs the FHA to guarantee 40-year mortgages with no downpayment on all homes on which the selling price does not exceed $15,000. That is the big factor to be kept in mind. We can forget everything else. Do we want to authorize the FHA—and this might well prove to be the ruination of the FHA—to insure mortgages for 40 years, with no downpayment, the only formula or criterion being that the house may not sell for more than $15,000? This is something absolutely new. It is different.

There have been 40-year, no-downpayment provisions in other sections, but they were limited to certain kinds of people; for example, people who were displaced as a result of governmental action. Also, houses for veterans have been sold with no downpayment, up to 30 years; but they were limited to veterans.

Now the proposal is made for 40 years and no downpayment, the only limitation being that the house must not sell for more than $15,000. That is what we are talking about. That is how simple the proposal is. I do not believe it is good, sound business. I do not believe it is necessary. I would much prefer to remove the section entirely. However, the Senate voted on that question yesterday, and I lost. I will abide by the decision of the Senate.

But I think we can now change this section, so as to provide that the payments for the first 5 years shall be on the basis of 40 years; for the next 5 years, on the basis of 30 years; and for the next 20 years, on the basis of 20 years. I think that is a good compromise, and I believe we should adopt it.

Mr. President, I am prepared to yield back the remainder of the time available to me.

Mr. SPARKMAN. Mr. President, I shall take 1 minute.

The PRESIDING OFFICER (Mr. METCALF in the chair). The Senator from Alabama is recognized for 1 minute.

Mr. SPARKMAN. The Senator from Indiana makes a great to do over the proposed 40-year mortgage. I shall discuss only that one point.

Several years ago, the Senator from Indiana offered an amendment which would make it possible for the FHA to insure existing houses on a 30-year-mortgage basis. Let us remember that. During 1960, nearly 40 percent of the mortgages written by the FHA were on existing houses, for 30 years; and some of those houses were as much as 20 years old—which made a total mortgage extension of 50 years. Thirty-seven percent of them were as much as 10 years old which, with a 30-year mortgage, ran the total up to a full 40 years.

So I do not see the consistency of arguing now against a 40-year mortgage on a new house, when under the amendment which was offered by the Senator from Indiana, the FHA today is writing mortgages on existing houses covering 40 years.

Mr. CAPEHART. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. In the case of an existing house, the one who is purchasing it has an equity in it, and the house is in existence at the time when the mortgage is issued.

Mr. SPARKMAN. But I am talking about the length of the mortgage.

Mr. President, if the Senator from Indiana will yield back the remainder of the time under his control, I will do likewise.

Mr. CAPEHART. Mr. President, I do so.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The question is on agreeing to the amendment "H" submitted by the Senator from Indiana [Mr. CAPEHART]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from New Hampshire would vote "yea."

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON] would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

On this vote the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 39, nays 57, as follows:

[No. 63]

YEAS—39

Allott	Eastland	Mundt
Beall	Ervin	Prouty
Bennett	Goldwater	Robertson
Bush	Hickenlooper	Russell
Butler	Holland	Saltonstall
Byrd, Va.	Hruska	Schoeppel
Capehart	Jordan	Scott
Carlson	Keating	Smith, Maine
Case, S.Dak.	Lausche	Stennis
Cotton	Long, La.	Thurmond
Curtis	McClellan	Wiley
Dirksen	Miller	Williams, Del.
Dworshak	Morton	Young, N.Dak.

NAYS—57

Aiken	Gruening	McNamara
Bartlett	Hart	Metcalf
Bible	Hartke	Monroney
Boggs	Hayden	Morse
Burdick	Hickey	Moss
Byrd, W.Va.	Hill	Muskie
Cannon	Humphrey	Neuberger
Carroll	Jackson	Pastore
Case, N.J.	Javits	Pell
Church	Johnston	Proxmire
Clark	Kefauver	Randolph
Cooper	Kerr	Smathers
Dodd	Kuchel	Smith, Mass.
Douglas	Long, Mo.	Sparkman
Ellender	Long, Hawaii	Symington
Engle	Magnuson	Talmadge
Fong	Mansfield	Williams, N.J.
Fulbright	McCarthy	Yarborough
Gore	McGee	Young, Ohio

NOT VOTING—4

Anderson	Bridges	Chavez
Blakley		

So the Capehart amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader whether it is his intention to complete action on the housing bill today, and also what is likely to come up the fore part of next week, if he can now advise the Senate.

Mr. MANSFIELD. Mr. President, in response to the question raised it is our hope we may be able to conclude our deliberations on the housing bill by this evening. If we do, then it is the intention of the leadership to ask to go over until 12 o'clock noon on Monday next.

On Monday we expect to consider the Consent Calendar.

On Tuesday it is anticipated tentatively that the Senate will consider the nominations of Mr. Swidler and Mr. Morgan.

It is anticipated the highway tax bill may be reported by the Committee on Finance on Wednesday or Thursday and may be before the Senate for consideration.

I wish to say further that so far as the National Defense Education Act proposed legislation is concerned, if and

when it is ready it will be reported to the Senate as quickly as possible for consideration by the Senate.

Mr. DIRKSEN. Mr. President, will the Senator from Tennessee yield further?

Mr. GORE. I do not think I shall ever again decline to yield to my friend from Illinois, Mr. President. [Laughter.]

Mr. DIRKSEN. I thank my friend.

Mr. President, I have suggested to the majority leader, in view of the fact that two reorganization plans will have to be acted on on or before the 26th day of June, at least there should be time on one day for a full dress discussion of those matters. It is likely that a disavowal resolution will be submitted by that time. I have made the suggestion that perhaps on Wednesday next, Senators having particular interest in these plans, coming from the Committee on Government Operations, can prepare themselves for an afternoon of discussion of the subject.

Mr. MANSFIELD. Mr. President, that is a reasonable request. I hope the distinguished minority leader will make it Wednesday or Thursday.

Mr. DIRKSEN. That is agreeable.

Mr. MANSFIELD. I say, for the benefit of the Senate, we are operating on eastern daylight saving time and not on central daylight saving time today.

Mr. DIRKSEN. Mr. President, I thank the distinguished Senator from Tennessee, and I thank the distinguished majority leader.

HOUSING ACT OF 1961

The Senate resumed the consideration of the bill (S. 1922) to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Mr. GORE. Mr. President, I desire to offer an amendment, which I ask to have stated.

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

The LEGISLATIVE CLERK. On page 1, beginning with line 5, it is proposed to strike out all through line 10 on page 13.

It is proposed to renumber the succeeding sections in title I accordingly.

Mr. GORE. Mr. President, I shall make a very brief statement, if I may have the attention of Senators.

I regret very much the necessity for offering the amendment, but I feel a conscientious duty to do so. The amendment would strike from the bill the provision for insurance of 40-year, no-downpayment loans.

Mr. President, this provision is designed for the benefit of the middle-income group, not for the low-income group. I do not understand why it is not practical to require a downpayment for a family moving into a new home, with freshly sanded floors and freshly painted walls. Why, Mr. President, it is necessary to make a downpayment on a second-hand automobile, on a washing machine, or on a bicycle.

Now it is proposed by the bill to sell homes to the Government of the United States, through the use of some person's name, and to allow that person to move in without a downpayment on a 40-year loan basis.

I earnestly believe that I sincerely support what I think is a progressive course of development for our economy and for our social system. How far must we go? We are talking about teachers and policemen and bank clerks, about people with regular jobs who make $500 or $400 a month. That is a pretty good salary in most of our communities.

My amendment would not change the present provisions of law, requiring a downpayment of only approximately $500 for a $10,000 house, and providing 30 years for full payment. It seems to me that is quite liberal and quite progressive. Now it is proposed, not for a special group such as those who have to move because of the location of a highway or because of an urban redevelopment program, but for everybody in the middle-income group of America, which is about 70 percent of America——

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

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. GORE. I yield.

Mr. SPARKMAN. The Senator states a $500 downpayment is due for a $10,000 house now. As a matter of fact, only $300 is required. Under the terms of the bill before the Senate, $200 would have to be paid for such a house. I have said on the floor of the Senate many times that it is technically not correct to refer to this provision as a no-downpayment provision, because one does have to make a $200 downpayment.

Mr. GORE. Mr. President, to speak technically, the $200 includes——

Mr. SPARKMAN. The money can be used to cover the closing costs, but the remainder would go on the mortgage.

Mr. GORE. I was about to say, to speak technically, the $200 includes the closing costs, which can be borne by the builder. That is what is done in a good many instances now.

If the committee and if the Senate really wish to bring about a vigorous homeownership program for the middle-income group of our people, there are ways to do it. We could strike at the mortgage discount racket. There are several ways we could do it.

I submit that the present proposal goes too far. It is economically unsound.

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

Mr. GORE. I yield.

Mr. MONRONEY. Would it not be a far better way, if we are trying to make possible ownership of these homes by middle-income families, for the committee, for the Congress, and for the administration, to try to bring down the interest rate at the retail level to fit the decline at the wholesale level of interest rates, now evidenced in the interest cost on Government financing?

Should we not make a fullfledged attack to reduce the exorbitant interest rate, which in my State still is over 6 percent for the average home buyer, counting the discount? Should we not use the power of Government, through FNMA, through more vigorous efforts among the life insurance lenders and the building and loan associations, to bring back into force the Democratic interest rates that were in effect some 8 years ago, so the middle-income group can buy a house and pay for it within 30 years without the large load going into the interest component, providing no degree of benefit for the homeowner?

Mr. GORE. Of course, if Congress really wishes to spur home ownership by the middle-income group, it must take action to make loans available at reasonable interest rates and absolutely prohibit the under-the-table discount racket. However, that question is not now at issue. We have before us a simple question. The bill provides for 100-percent mortgage insurance. I ask the chairman of the committee if that is not correct.

Mr. ROBERTSON. That is correct. The chairman of the committee wishes to point out that in years past, when he was fighting against the expansion of public housing for low income groups, he predicted that we would be called upon to expand the program to other groups beyond the low-income group. We would expand it under this bill.

We have expended $896 million in annual contributions toward public housing for the low-income group. We will eventually pay under outstanding contracts, and cannot get out no matter how tough the financial going might be, an additional $8 billion. We would provide in the bill a maximum of $3.1 billion more toward public housing for the low-income group. Then we would say to the middle-income group, "We will let you start with 100-percent loans backed with $750 million for FNMA."

If by such procedure we are not going down the road to statism, I do not know what to call it.

Mr. GORE. Mr. President, if a citizen who earns $400 or $500 a month buys a 5-year-old automobile, he probably has to pay $500 down. We propose to give a guarantee on 100 percent of the cost of a brandnew home, with new floors, new fixtures, and new paint. Think of the depreciation in the first years of occupancy by a family. Such a suggestion is impractical. I do not believe that in order to be a progressive or a liberal, one must leap overboard. The law contains a sound provision for a 30-year amortization term with the most liberal provisions for downpayment. The issue is very simple.

Mr. LONG of Louisiana. Mr. President, the point that concerns me about this question is that some of the proposed purchases will not be good purchases. If we should undertake to make a no-downpayment arrangement, by which a person could sign his name to a 5½-percent mortgage note for a term of 40 years, if he wished to throw the mortgage back on the market, in most cases the Government would be stuck with it. To say "no downpayment" is to divorce ourselves completely from the

prudence of individual purchasers and from the care that is required of a home owner to decide whether it is a good idea to sign a 5½-percent mortgage for $15,000. At least, to require a downpayment helps to emphasize some responsibility on the part of the purchaser. But to provide no downpayment would put the Government completely at the mercy of its own investigators to require that in all events the housing be worth $15,000 and then to endorse a 5½-percent interest rate, which I am not too sure we can rightfully endorse. The Government can obtain money at a cheaper rate than 5½ percent.

Mr. GORE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

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

Mr. GORE. I yield.

Mr. ERVIN. I ask the able and distinguished Senator from Tennessee if he does not agree with me that such a provision as is proposed would have a tendency to impair the confidence of the public, even in the good and sound portions of the housing program?

Mr. GORE. If the provision should become a subject of widespread abuse, the answer would be in the affirmative. I fear that it would be abused.

Let us consider the example of a family which moves into a house and remains a year and a half, when something goes wrong with the water heater. There is a leak in the house. The homeowner finds something wrong with his lawn. He does not like his location. What do Senators think the value of the house would be after 18 months? The Government would be guaranteeing a 100 percent loan on it. The occupant might have made no downpayment whatsoever except some part, if any, of the closing costs. I believe that we already have a very liberal, progressive program with the 30-year program, and every person who could qualify by making a small downpayment could qualify under the 30-year program.

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

Mr. GORE. I yield.

Mr. ROBERTSON. The Senator mentioned the value of the house after 18 months. It would be more than 10 years before the purchaser of one of the proposed homes would have an equity in it that would make him want to remain and pay out. Up to that time he could leave and would have enjoyed cheap rent for the period of his occupancy.

Mr. GORE. Mr. President, again I say it is with regret that I offer the amendment, but I did not want to see this kind of provision pass without raising my voice against it. I submit the issue to the Senate.

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

Mr. GORE. I yield.

Mr. BUSH. I support the amendment of the Senator from Tennessee. I think it is sound, and I applaud him for his careful argument and reasoning in connection with the proposal. I believe, as he does, that with the heavily subsidized FHA program we now have, with very small down payments, we have an adequate program. As I understand the amendment of the Senator from Tennessee, it would simply strike out title I of the bill and leave the situation as it is today with respect to FHA insurance programs. I very much hope that the Senate will support the amendment of the Senator from Tennessee.

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

Mr. SPARKMAN. How much time does the Senator desire?

Mr. CLARK. How much time remains?

Mr. SPARKMAN. Thirty minutes remain.

Mr. CLARK. I would like 5 minutes.

Mr. SPARKMAN. Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. It is always with deep regret that a Member in the back row of this Chamber rises to oppose an amendment proposed by another Member in the back row—particularly so able a Member as the Senator from Tennessee, and particularly when he is supported by so able a liberal Senator as the Senator from Oklahoma. But as a member of the Committee on Banking and Currency, which has wrestled with this problem for the 4½ years that I have been in the Senate, I am compelled to invite the attention of my colleagues to the fact that the amendment, which already has been twice defeated in substance on the floor of the Senate when offered by a Republican, will now, if accepted when offered by a Democrat, result in the elimination of one of the most important features of the entire housing bill. The problem of how to deal adequately with the needs for decent, safe, and sanitary homes for American families, whose incomes range from $4,000 to $7,500 a year, has plagued the Committee on Banking and Currency for many years before I came to the Senate, and it is still plaguing us today.

Many suggestions have been made, including a very valuable one by the Senator from New York [Mr. JAVITS], which I cosponsored last year. The Housing and Home Finance Agency, having studied the matter for years, came up with the proposal contained in title I of the bill, which is now opposed by the Senator from Tennessee. It is a proposal on which much testimony was taken and which was carefully considered. It is the program of the President of the United States. I read from the message of the President as it appears at page 9 of the hearings:

> I am, accordingly, recommending that the present limited FHA insurance of no-downpayment, 40-year mortgages—now available only to families displaced by governmental action—be broadened on a temporary and experimental basis to include any family and be otherwise amended to make these mortgages more attractive to private investors. This broader program will offer an opportunity and a challenge to both builders and lenders to meet the needs of middle income families through private enterprise without Government subsidy.

That is what President John F. Kennedy told Congress.

It has been said that the program results in no equity for the home owner and that it is a giveaway. I call attention to the table which appears at page 927 of the hearings, which shows the equity built up year by year by a borrower under the proposed program. I am sure that the accuracy of the table cannot be contested. If the Senator from Tennessee is concerned about the fact that there is no downpayment provided—and I am not—the way to remedy that situation is to amend title I by calling for a small downpayment, not by eliminating the entire program and thus throwing by the baby out with the bath.

It is also said that the program is unprecedented. It is not. There are already programs in effect with a 40-year, no-downpayment provision under section 221.

This is not a new, untried program. It is a program recommended by the President of the United States, by the Housing and Home Finance Agency, and by a large majority of the Banking and Currency Committee. I hope that at this late date, having refused twice on the motion of a Republican Senator to strike the substance of this section out of the bill, or substantially weaken it, the Senate will not strike it out on the motion of a Democratic Senator.

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

Mr. CLARK. I yield.

Mr. ROBERTSON. The Senator has referred to the message of the President, which included, as I heard it, a statement that this was going to be a program of private enterprise.

Mr. CLARK. The Senator is correct.

Mr. ROBERTSON. Did the FHA witnesses testify before the Senator's subcommittee that on the 40-year no-downpayment program, when one takes into consideration the depreciation of the property, after 22 years the homeowner would not even have enough of an equity to pay a 5-percent commission on the resale of the house?

Mr. CLARK. I call attention to the table at page 927, which shows that the homeowner at the end of 22 years, having a house which started at a value of $10,000, would have a depreciated value on his property of $7,400. He would have and equity of $349.

Mr. ROBERTSON. Which is less than 5 percent. That is what I said. It takes 5 percent to get a real estate man to sell the house for a person. He would have no real equity even after 22 years.

Mr. SPARKMAN. Mr. President, I yield 1 more minute to the Senator from Pennsylvania.

Mr. CLARK. In brief reply to the Senator from Virginia, I can only say that he has been completely consistent in all the years that I have served under his genial chairmanship. He is as fine a chairman as any I have ever served under. The Senator from Virginia and I rarely agree on these matters. He not only disagrees with me but with the President of the United States, with the Housing and Home Finance Agency and with practically every expert who has

been trying to do something for middle income people.

Mr. ROBERTSON. But the Senator from Virginia has been consistent in what he has been trying to do.

Mr. CLARK. He has been completely consistent.

Mr. LONG of Louisiana. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. I call attention to the chart at page 927 of the hearings, which has been referred to. The chart shows that after the first year the person who bought a $10,000 house had no equity whatever. He has not even paid the cost of what it takes to get his name on the mortgage. He has not even paid the closing costs. At the end of 20 years, after he has been paying for 20 years under the proposed program, with no downpayment having been paid, he has an equity of $312. That amounts to a 4-percent equity, which is 1 percent less than it would take him to hire a real estate agent to get rid of the house for him. That is the equity the person has after 20 years of payments on the house.

I support the Senator from Tennessee on his amendment. I am in favor of low payments. I am in favor of low downpayments, too. I am in favor of reduced interest cost. However, Mr. President, this proposed program is nothing more than an encouragement to a person to sign a mortgage which after 20 years of payments does not even give him enough equity to pay someone to get the house off his hands. It is nothing but an encouragement to irresponsibility on the part of the person who buys the house. I am in favor of the person taking some responsibility, other than his mere signing of the Government's name on the contract, which is what it amounts to. All he has at the end of that period is a 4-percent equity. That is assuming that he bought a good house to begin with.

Mr. GORE. Assuming also that he is still living in it.

Mr. LONG of Louisiana. Yes.

Mr. GORE. How far would the guarantee of the Government extend? I ask the Senator to look at the table. I do not know about the accuracy of the table. However, taking the table as it is, what would be the amount of the Government's guarantee after a family had lived in a new house for a year?

Mr. LONG of Louisiana. In a year the guarantee would be 100 percent on the depreciated value.

Mr. GORE. What is the depreciated value on a $10,000 house?

Mr. LONG of Louisiana. $9,950, after 1 year.

Mr. President, I am in favor of some responsibility being placed on the person who signs his name on a contract, recognizing that the Government is to resell the house. Where is the Government going to get an agent to repossess the house and sell it to someone else, aside from taking the entire loss?

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

Mr. LONG of Louisiana. I yield.

Mr. ROBERTSON. The Senator is making the point that private industry is not going to buy these bonds. I call the Senator's attention to the fact that the subcommittee wanted to extend the section to moderate incomes, and evidently felt the same way about it, because it put in $750 million for FNMA to buy them, plus $750 million to be used at the discretion of the President. The President sent word, "Do not give me this $750 million; $750 million is enough. I do not want the additional $750 million." Therefore $750 million was put in here to finance the program with 100 percent Government money. That shows how much they think banks and savings and loans will take these mortgages.

Mr. LONG of Louisiana. I am now trying to get some people out of housing difficulties they incurred by putting up downpayments contrary to the intention of the law.

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

Mr. LONG of Louisiana. For the Government to assume 100 percent of the cost is to encourage some person toward irresponsibility and dishonesty, to build a house and to pay someone to buy it, hoping that the Government will never find out about it. After all, he would have some profit in it, I assume. I am willing to go along with any liberal or reasonable low-cost housing proposal; but the complete irresponsibility of a mere 4-percent equity—assuming it was a good house to begin with, at the end of 20 years—is something I cannot go along with.

Mr. CLARK. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. CLARK. Did I correctly understand the Senator to say that he wanted the purchaser of a house to have some responsibility?

Mr. LONG of Louisiana. Yes.

Mr. CLARK. Does not the Senator know that when the purchaser signs the mortgage, he assumes full responsibility for the mortgage, whether the house is good or not?

Mr. LONG of Louisiana. I once had the honor to serve on the committee on which the Senator from Pennsylvania now serves. The testimony of the then FHA director concerning the responsibility of the person who signed the mortgage was that so far as the middle-income person was concerned, the FHA did not look to him for one moment to redeem the mortgage, but went to the value of the property itself, if that person turned it back the next day.

Mr. CLARK. But the purchaser is legally liable for the full amount of the mortgage.

Mr. LONG of Louisiana. Legally; yet the testimony of Government witnesses was they did not consider that the deficiency liability of the mortgagee was worth the paper on which the signature was written.

Mr. CLARK. There was no such testimony in connection with this bill.

Mr. LONG of Louisiana. Not before the Senator from Pennsylvania; but I sat and heard that testimony before the Senator from Pennsylvania became a member of the committee, and that is the way I believe the FHA still feels about it with respect to middle-income people. They are not going to recover against them; they are going to take a loss against the mortgage.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. ROBERTSON. In Florida, and in a number of other States, it is not possible to get a deficiency judgment on a foreclosed mortgage. One takes the security, and that is all he gets.

Mr. LONG of Louisiana. That will be found to be true in many places, I am sure.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from Illinois.

Mr. DOUGLAS. Undoubtedly there is a good deal of risk connected with the 40-year mortgage with no downpayment. Some mortgages will be defaulted but I have faith that their number will be far less than the opponents fear. Furthermore, we should recognize that the insurance reserve will be one-half of 1 percent per year. In 40 years this will build up to 20 percent of the value of the house. It would take a very high percentage of complete loss to cause a net loss to FNMA. But the ratio of complete loss would be small.

Up until this time, we have never been able to find an answer to the problem of providing decent housing for people having lower middle-class incomes from $4,000 to $6,000 a year. Their incomes are too high for public housing, and too low for them to get decent housing under existing systems of financing.

This proposal is an experiment to see if it is possible, with long periods of amortization, that these groups, with monthly payments of from $60 to $100, may be able to get decent housing under private ownership, under the private real estate system, and under private financing, with merely an ultimate Government guarantee, standing as a third-line reserve behind the individual loan.

Housing can certainly last for 40 years. There are houses in New England—wooden houses—which have been in existence for more than 200 years, and which are still hale and sound. There is no necessary reason why physical depreciation should wipe houses off the board at the end of 40 years.

I hope that we may be willing, at least, to experiment in dealing with this group of people. If we defeat this proposal embodied in title I, I think it will be necessary to write off all efforts to provide decent housing for the lower and middle classes under private ownership. I do not want to do that.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from Iowa.

Mr. MILLER. Mr. President, I support the amendment of the Senator from Tennessee. Something was said about the bill having been sent to Congress with a message from the President of the United States. The President of the United States was quoted. However, I

call attention to the fact that the President said those words on March 9, 1961. Much has taken place since that time. The international situation has become more acute. The President has been asked to spell out what he means by sacrifices on the part of the people which will be necessary in order to meet the Communist challenge. In fact, as recently as May 25, the President said to Congress:

> Moreover, if the budget deficit now increased by the needs of our security is to be held within manageable proportions, if we are to preserve our fiscal integrity and world confidence in the dollar, it will be necessary to hold tightly to prudent fiscal standards; and I must request the cooperation of the Congress in this regard—to refrain from adding funds or programs, desirable as they may be, to the budget.

I detect that the distinguished chairman of the committee has already pointed out, just as the Senator from Tennessee has pointed out, that the bill as it now stands is not up to prudent fiscal standards. If we are to legislate in a way that will encourage the people not to abide by prudent fiscal standards, then how can we expect to support prudent fiscal standards on the part of Congress?

Speaking of sacrifices, it is little enough to ask that the people who will be the recipients of the benefits of the act be willing to make enough sacrifices to make at least a reasonable downpayment.

I hope the amendment of the Senator from Tennessee will be adopted. I believe it is a step in the right direction. It is a step in line with the policy which the President of the United States has already recommended more recently than when he called for action on this proposed legislation. As a matter of fact, there is much doubt in my mind whether the bill ties in with the policy of the President of the United States, who said a few days ago that Congress should refrain from adding funds or programs to the budget in view of the Nation's fiscal deficit. Be that as it may, I hope the amendment will be adopted.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I had the pleasure of serving on the Committee on Banking and Currency from almost the beginning of the FHA until the time, regrettably, I left that committee. I have dealt with the FHA through the years from the time we brought the interest rate down to 4 percent and extended the time of mortgages from 20 to 30 years.

We are working on the wrong end of the spectrum, if we really want housing. The fundamental test of whether we will get housing is in the interest rate which the borrower is committed to pay for a long period of time. We Democrats, who have felt the pressure upward on housing interest rates, saw the strangulation of adequate low-income housing, and many of us, both those who are for and those who are against the amendment, have acted accordingly throughout several years. Now we divide on the way to stimulate housing.

I believe the way to supply middle-income housing is by making every human effort possible to bring the interest rate on the class of homes concerned down to 4½ percent. If I remember correctly the figures we cited, the additional cost of 1 percent in the interest rate on a 30-year loan, with the rise of that 1 percent, there is a sacrificing of one room of a house, or compelling the buyer to pay 10 years longer before he owns the house.

Now we find ourselves in the committee going in the opposite direction. The rate of interest for the normal housing program has been brought down from 5¾ percent to 5½ percent, and now to 5¼ percent. But now we find the committee raising it again to 5½ percent. I should like to see the rate reduced, because I am convinced that if a level of 4½ percent can be reached, the middle-income people can buy houses. They can have a decent equity and can own the houses clear of debt within 30 years. They will be far better off than if we saddled them or their children or their grandchildren with a 40-year mortgage loan, but a less desirable house.

If we observe the table to which the distinguished Senator from Pennsylvania called attention, we will find that at the end of 20 years the home borrower has only $312 equity. What kind of investment or savings program is that as an incentive for home ownership? Certainly the Government is the endorser of the mortgage, and the mortgage company has the home ownership. All that the man has is a sort of long-term lease, without the acquisition of any equity, after he has been paying on the house for 20 years. That goes against the system of encouraging home ownership. I feel that we could do far better by taking the $750 million offered to support this unsound, uneconomic, undesirable loan program which is proposed to be offered to the 40-year home buyers, and aggressively seek to drive down the mortgage interest rate. The $750 million would help much. The additional $750 million which the committee asked the President to include will be added to $1,500 million to bring the interest rate down. Then there will be an investment in the same type of security that rests behind the insurance policies of New York Life, Massachusetts Mutual, and all the other great insurance companies of the world.

I will ask some member of the committee to state what the testimony was as to the increase in the amount of discount which would be demanded on a 40-year, no-discount loan. I am afraid it would again give a resurgence to the rediscount rates demanded under the normal and regular FHA program which has proven to be so successful.

Can the chairman of the committee tell us about that?

Mr. ROBERTSON. There was testimony, in behalf of the insured savings and loan associations, that they would not be interested in a 40-year, no-downpayment plan. They said that if we were to adopt such a plan, we might just as well provide for a direct Government loan; and that also goes to the hocus-pocus of selling the bonds.

Mr. CLARK. Mr. President, will the Senator from Oklahoma yield?

Mr. MONRONEY. I yield.

Mr. CLARK. I think the Senator from Oklahoma said he was under the impression that this proposal would increase the interest rates. Let me ask the basis for that statement, if that is what he said.

Mr. MONRONEY. The interest rates under the FHA have now, during this administration, and wisely so, I believe, been reduced from 5¾ percent to 5½ percent, and now down to 5¼ percent. That is good. But that does not mean that is the ultimate rate the purchaser pays. It is not because of the discount.

Mr. CLARK. I thought the Senator said that under the committee's proposal, the rate would rise again to 5½ percent.

Mr. MONRONEY. I understand that is the amount—5½ percent——

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

Mr. MONRONEY. Can the Senator tell me? The table shows they quoted a 5½-percent interest rate.

Mr. CLARK. If I may answer, let me say it is a hypothetical table, based on a 5½-percent rate. It is not thought that the rate would be any more or any less than the going rate.

In answer to the Senator from Virginia, let me say it is contemplated that this is to be a purely experimental program, and that in all likelihood the FNMA will pick up the mortgages, so no rediscount questions will arise.

Mr. MONRONEY. How could it be experimental if all the money will be Uncle Sam's money? I think it is high time that the retail money rate be brought down; and that can be done only by affirmative action by the Government, following the action of our great Banking and Currency Committee, in order to revitalize this segment of activity in our country by providing it with the tools which have been used so successfully through the years, on behalf of the home purchasers, instead of the investors; and this procedure has been a stabilizer at par of Government-insured mortgages, instead of having a rediscount house tell the purchaser how much it would mark down his mortgage. I do not think we shall improve conditions by providing for such new mortgages, for the Senator says the Government would have to back up this arrangement.

During my service on the Banking and Currency Committees—and I served for approximately 12 years on the Banking and Currency Committee in the House of Representatives, and for 5 or 6 years on the Senate Banking and Currency Committee—I observed that once action was taken to extend the terms under FHA, it never was possible thereafter to roll them back—for instance, to a shorter period of time.

This plan may be experimental; but if we take this step, later we shall be told that to reduce it would result in a collapse of the entire market and would result in unemployment.

In other words, I think the step now proposed is a dangerous one, and we should not take it.

Let us get the interest rate down, of course. Under the present arrangement, we can bring the rate down to 4½ percent or 5 percent, for the benefit of those who need to finance their purchases of homes.

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

Mr. CLARK. Mr. President, will the Senator from Alabama yield 1 minute to me?

Mr. SPARKMAN. I yield 1 minute to the Senator from Pennsylvania.

Mr. CLARK. I should like to say to the Senator from Oklahoma that for many years we have had a special-assistance category under which FNMA has been authorized to pick up the mortgages at par, and not force them to be thrown on the open market.

So this proposal is simply for another special-assistance program, which the President of the United States and the HHFA officials think will be the best way to break the bottleneck in regard to moderate-income housing, which is the one great failure of the present program.

Mr. MONRONEY. Mr. President, if the Senator will yield, let me say I supported the special arrangements for particular groups which had been made in the past—for instance, the special arrangement for those who had been displaced by Government action. But once we take the step now proposed, I am sure it will be most uneconomic, and will rise to haunt both us and the housing industry in the years to come.

Mr. BUSH. Mr. President, will the Senator from Tennessee yield 2 minutes to me?

Mr. GORE. First, Mr. President, let me ask how much time remains under my control.

The PRESIDING OFFICER. Three minutes.

Mr. GORE. I yield 2 minutes to the Senator from Connecticut.

Mr. BUSH. I wish to call attention to page 20 of the appendix of the hearings, which shows what the downpayments are now for owner-occupants. The maximum mortgage amounts, under the present legislation, are $22,500 for one-family houses, $25,000 for two-family houses, $27,500 for three-family houses, and $35,000 for four-family houses. The minimum downpayments are 3 percent of the first $13,500 of value, plus 10 percent of the next $4,500 of value, plus 30 percent of value above $18,000.

Those amounts were established in recent years by the Banking and Currency Committees and by the Congress. It was felt—and I still feel so, and I believe the Senator from Tennessee has made an excellent case for it—that if a person wishes to buy a home, he should first accumulate some savings. We are not asking him to make a large downpayment on a $13,500 home, when we ask for only a 3-percent downpayment.

I think one of the troubles today in our country is that we encourage the borrowers more than we do the savers. And I think this new proposal is a move in that direction. I believe we should encourage people to save enough money to be able to make a small downpayment on a home.

For that reason, I think this amendment is an excellent one; and I believe it should prevail.

Mr. SPARKMAN. Mr. President, let me ask how much time remains under my control.

The PRESIDING OFFICER. Sixteen minutes.

Mr. SPARKMAN. At this time, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 3 minutes.

Mr. SPARKMAN. I wish to say, Mr. President, that if this amendment is agreed to, the heart will be taken out of this measure.

The Senator from Iowa has referred to the necessity to make sacrifices. The trouble with this amendment is that the only sacrifice it would call for would be a sacrifice by poor people. People of means are amply protected under this measure and under existing legislation. and there is now no opportunity to strike at them at all.

The amendment of the Senator from Tennessee would strike out two parts of the pending bill. The first is the one which is for the benefit of families which cannot afford to purchase a home, and cannot even afford to pay a decent rental, but would enjoy a slightly subsidized program, to the extent of 3⅛ percent, rather than the standard rate of interest. To that extent, it will be a subsidy; but I submit it is a much lower subsidy than that paid on public housing.

The purpose—as has been stated heretofore—is to do what we have sought for many years to do—namely, find some substitute for public housing. The rental part of this program seeks to do just that, for the benefit of the really low income group of the people of the country.

The second part of the bill which the amendment of the Senator from Tennessee would strike out deals with sales housing for the lower-income and middle-income persons.

We have provided for 3 percent downpayments on loans up to $13,500. The Senator has said a person ought to save money in order to make a downpayment. Three percent on $13,500 amounts to $405. In addition, there are closing costs of $200. That means a person has to save $605; and a man earning $4,000 a year, who has several children, has a hard time saving $605.

One has to save up to $200, under the bill. While it has been referred to time and time again as a no-downpayment bill, a person has to make a downpayment of $200. The loan is 100 percent insured, but this is not the only program providing for 100 percent insurance. We have other programs with 100 percent insured loans.

Senators talk about the Government losing money. It is disappointing to me that so much of the discussion has been from a pessimistic viewpoint. The record of the past so far does not bear out that viewpoint. I call attention to the fact that in the dark days of the depression the Home Owners Loan Corporation was organized. There was a mortgage on practically every home in America. The people in those homes did not move out and leave them. They did their best to meet the payments. The Home Owners Loan Corporation was established to provide relief, not to the homeowners, but to the banks and other financial institutions. The Home Owners Loan Corporation took over those mortgages.

Yet, after the time of liquidation, there remained a profit of $130 million, or something in that neighborhood, which was paid into the Treasury of the United States. That is the kind of record we had in the very depths of the depression. People do not move away from their homes in America. The best security that exists today is a mortgage on a home occupied by a man and his family that they can call their own. That is what the record in this country has been.

Many Senators now present have voted time after time for a provision—and there is a similar provision in the pending bill, and I want to see how Senators vote on it—to permit veterans to get 100 percent guaranteed loans from the U.S. Government, or to participate in a guarantee program of 100 percent, with no downpayment. Senators have voted for such a program time after time. There have been 5,016,149 primary home loans closed by the Veterans' Administration, of which 71.7 percent were 100 percent guaranteed loans with no downpayments.

Do Senators know what the default record has been? This is a program which has been running since 1944. On the whole program, including downpayment loans and no-downpayment loans, the percentage of claims paid by the Government was 0.61. I submit that is a good record. On the no-downpayment loans, the percent was 1.06.

I think that is a pretty good record as to what American homeowners do with home loans that are 100 percent no downpayment loans. That is the record. Why should we be casting all of this gloom about what the borrowers are going to do? They are not going to do any such thing; they are going to continue the record they have made.

Senators talk about the Government being stuck with this arrangement as if it were a dead loss to the Government.

It must be remembered that a person who buys a home pays an insurance rate for insurance protection. Over the years there has been built up a reserve of $800 million. Added to other profits, there has been a profit of over $1 billion in housing programs.

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

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. Is it not true that on all the VA guaranteed loans with no downpayment, the foreclosure rate has

been higher than it has been in the general FHA program?

Mr. SPARKMAN. I do not have that comparison before me. I gave the figures as they applied to the Veterans' Administration.

Mr. ROBERTSON. But did not the figures cited by the Senator show that there was an increase of 50 percent——

Mr. SPARKMAN. I showed what the rate has been.

Mr. ROBERTSON. The rate of claims paid under the VA program was less than 1 percent only a few years ago, and went up to 1.28 percent last year. Is that correct?

Mr. SPARKMAN. One and six one-hundredths percent has been the percentage of defaults, or the claims paid on no-downpayment loans.

Mr. ROBERTSON. According to Housing Statistics for March 1961, the defaults were at the average rate of 1.28 percent last year.

Mr. SPARKMAN. I am looking at the figures that have been supplied to me from the Veterans' Administration. Anyhow, the record shows that the defaults have been very low in number. I think it is an extremely good record.

In addition, let me use the veterans' guarantee loan program as a guideline. Remember that we would have expected that returning veterans would probably be the most restless persons of all, and would be more likely than anybody else to pick up and move and not pay off their mortgages. What has been the record as to the payoff time of those mortgages? Eleven and six-tenths years. That is the actual record.

I agree with the Senator from Oklahoma that, if we could bring the interest rates down, we could help people buy homes. But we may as well be practical. We know we are not going to get the interest rates down to 4 and 4½ percent.

The question is just as simple as this: We have an FHA program under which persons having incomes of $7,000, $8,000, $10,000, and $15,000 can get help from the Federal Government. We do not have one under which persons having incomes from $4,000 to $6,000 can afford to have safe, decent, sanitary homes, the kind Congress said every family was entitled to. The housing policy enacted by Congress in 1949 was that every American family was entitled to a safe, decent, sanitary home, amidst decent surroundings.

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

Mr. SPARKMAN. I yield myself 1 additional minute so that I may yield to the Senator from Virginia.

Mr. ROBERTSON. I have found the figures the Senator from Alabama used. They appear on page 590 of the hearings. The percentage of claims paid on no-downpayment loans was 1.06, but for the downpayment loans it was only 0.43—less than a half.

Mr. SPARKMAN. Yes. I referred to the differential. But it is a very low figure.

I pointed out earlier that we have other 40-year programs. I do not think a single Senator present on the floor raised his voice against it when the Senator from Indiana presented an amendment, some 2 years ago, which would make it possible for the FHA to insure loans of 30 years on existing homes.

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

Mr. SPARKMAN. I yield myself 3 more minutes.

Nearly 40 percent of the loans insured by the FHA last year were on existing homes, and they were 30-year mortgages. Some of those homes were 20 years old. As I recall, 37 percent—it was a high percentage, although I do not have the exact figure before me—were 10 years old.

Then we were allowing mortgages on old houses, not on new homes, on a 40-year basis. We know that there has been a great improvement in the quality of homebuilding. Forty years of expectancy is no longer an unreasonable time.

Mr. President, I am willing to close the debate with simply a final argument, that agreeing to the amendment would take the heart out of the bill. It refers to the new program which has been proposed by the last two administrations. President Eisenhower first sent the program to the Congress. Now President Kennedy has sent it to the Congress. It is in keeping with the President's program.

This is a program which seeks to do two things. First, it seeks to provide a rental housing program which will replace the present public housing program. Second, it seeks to provide a home purchase program which will make it possible for those people in the United States who earn between $4,000 and $6,000 a year to own a decent home.

If the Senate takes out the provision covered by the amendment it will take out all that is in the bill for the poor folks. The bill will take care of those in the upper income strata. It will take care of those in the upper 25 percent of the income groups of the United States, according to the census. However, if we take out this provision we will take out the benefits for those in the lower 75 percent of the income groups of this country. That is exactly what the amendment amounts to; no more and no less.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I hope the Senator will be very brief, because my time is about to run out.

Mr. LONG of Louisiana. The Senator says that we cannot do anything about the high interest rates these people have to pay.

Mr. SPARKMAN. I said that we cannot beat the interest rates down. We would be able to do something, by the terms of the bill, about lower interest rates. There is a subsidy, to which I referred, on the rental housing, in regard to the interest rate. Today the rate would be 3⅛ percent. That is reasonable. It is a subsidy.

Mr. LONG of Louisiana. As one who went around to tell the people that we were going to do something about the interest rate situation, I ask, why do we not try?

Mr. SPARKMAN. That is what we are trying to do. The amendment offered by the Senator from Tennessee seeks to strike the provision from the bill.

Mr. LONG of Louisiana. The amendment does not have anything to do with interest rates.

Mr. SPARKMAN. It would strike out the only low-interest-rate provision in the bill, the one provision which would give the poor folks, who cannot afford to pay for decent rental housing, an opportunity to get rental housing at 3⅛-percent interest. This amendment would strike out that provision.

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

Mr. BUSH. Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee [Mr. GORE] has 1 minute remaining.

Mr. BUSH. Mr. President, I should like to make a few remarks apropos of what the Senator from Alabama has said. I shall take the time from the time on the bill, on this side.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Is the Senate under allotted time?

The PRESIDING OFFICER. Yes.

Mr. MANSFIELD. Has any time been allotted to the Senator from Connecticut?

Mr. BUSH. Mr. President, I was going to speak on the time on the bill. Since the Senator from Indiana [Mr. CAPEHART] is not in the Chamber, I yield 2 minutes to myself.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 minutes.

Mr. BUSH. Mr. President, the Senator from Alabama said that the amendment, if it is agreed to, would take the heart out of the bill. I wish to take grave exception to that statement. There is a great deal in the bill of tremendous value. The provision to which the amendment refers is a relatively small part of the bill, as a matter of fact.

The amendment would not take the heart out of the bill, because the bill contains provisions for urban renewal, for college housing, for the whole FHA program, and for public housing by authorizing an additional 100,000 units.

I take exception to the statement that agreeing to the amendment would take the heart out of the bill. On the contrary, it would not.

I also wish to say once more, Mr. President, I think the committee and the Senate have been wise in the past in reducing downpayments, and getting them to a very low level. I reiterate, I think it is important we begin to lay some emphasis in this country on savings, and not to encourage borrowing all the time. In order to borrow, a person should have some small modicum of savings. In order to buy a home, a person should have some investment to make in it.

I again urge support of the amendment.

Mr. KEATING. Mr. President, will my colleague yield to me?

Mr. BUSH. I yield.

Mr. KEATING. I commend the distinguished Senator from Connecticut for the views he has expressed. I thoroughly agree there are many good things in the bill. In my judgment, the 40-year, no-downpayment proposal is one of the bad things in the bill.

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

Mr. BUSH. Mr. President, I yield myself an additional 2 minutes from the time on the bill.

Mr. KEATING. When we reach a vote on a bill, we very often experience the feeling that there is some good and some bad included in it. A Senator is often uncertain whether he should or should not support the bill.

In the case of this bill, the good things include the urban renewal program, the college housing program, and other things of extreme importance. I share the view of the distinguished Senator from Connecticut that, on the other hand, the proposal for 40-year, no-downpayment mortgages in this bill is unsound. It is not in accordance with the general recommendation which President Kennedy has made to us that some sacrifices should be made by all our people.

I hope the amendment will be agreed to, so that the housing bill will be a bill I can support on passage, which it will be if the amendment is passed.

Mr. BUSH. Mr. President, I thank the Senator from New York. I yield back any remaining time on the amendment.

The PRESIDING OFFICER. The Senator from Tennessee [Mr. GORE] has 1 minute remaining.

Mr. GORE. Mr. President, this is a far-reaching step the Senate is considering. I hope the amendment will be agreed to.

The statement has been made that no one will buy the mortgages, that the Government of the United States will have to hold the mortgages, insured 100 percent by the Government itself.

This provision in the bill does not relate to housing for low-income people. Though my distinguished friend from Alabama and I live in neighboring States, perhaps we have a little different idea as to what constitutes a poor man. The Senator from Illinois said the provision was for housing for people who are earning up to $7,500 a year. I ask Senators to consider positions in their communities which bear salaries in that amount.

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

Mr. GORE. Mr. President, I ask for 2 minutes from the time on the bill.

Mr. MANSFIELD. Mr. President, I yield 2 minues from the time on the bill to the Senator from Tennessee.

Mr. GORE. Mr. President, I conclude by saying that the amendment does not strike at the heart of the homeownership program. This provision in the bill provides no financial incentive for homeownership. A good argument could be made that it is for Government ownership of homes on a very vast scale. It is an unsound proposition.

I do not agree with the distinguished junior Senator from Alabama that the provision is the heart of the bill. The heart of the bill, for homeownership, is to continue with adequate financing those features of the FHA program which have proved over the years to be sound and which have greatly spurred homeownership.

The proposal is an unsound proposal, and, though it may have been recommended to the Congress by a number of Presidents, this does not alter the responsibility of the Senate. In my opinion, this proposal is not a sound legislative proposal.

Mr. SPARKMAN. Mr. President, how much time do I have on the amendment?

The PRESIDING OFFICER. The Senator from Alabama has 2 minutes remaining on the amendment.

Mr. SPARKMAN. Mr. President, I have never said that accepting the amendment would shatter the bill. I did say the provision was the heart of the bill. It is the heart of the new program the President has sent to the Congress. I say it is the heart of the bill so far as the poor folks are concerned.

Is this not a poor man's bill? The Senator from Tennessee apparently forgets that he seeks to strike out the rental housing provision, whereby the 3⅛-percent interest is provided, in order to have low rent housing to replace public housing in this country. Certainly it is a poor man's provision.

The Senator talks about the heart of the bill being the FHA program we have had in the past. That program takes care of 25 percent of the people of this country. We are trying to increase the percentage. What we are trying to do, by the sales part of the program, is to increase the number of people receiving help.

Mr. President, I earnestly hope the bill may be preserved in its present form by the defeat of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask that the order for the quorum call be rescinded.

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

The question is on the amendment of the Senator from Tennessee. On this question the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR (when his name was called). On this vote I have a pair with the Senator from New Mexico [Mr. ANDERSON]. If he were present, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Tennessee [Mr. KEFAUVER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent, and if present and voting would vote "yea."

On this vote the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 49, nays 44, as follows:

[No. 64]

YEAS—49

Aiken	Ellender	Prouty
Allott	Ervin	Robertson
Beall	Fong	Russell
Bennett	Gore	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Holland	Scott
Byrd, Va.	Hruska	Smathers
Capehart	Jordan	Smith, Maine
Carlson	Keating	Stennis
Case, S. Dak.	Kuchel	Symington
Church	Lausche	Talmadge
Cooper	Long, La.	Thurmond
Cotton	McClellan	Wiley
Curtis	Miller	Williams, Del.
Dirksen	Monroney	Young, N. Dak.
Dworshak	Morton	
Eastland	Mundt	

NAYS—44

Bartlett	Hartke	Metcalf
Bible	Hayden	Morse
Boggs	Hickey	Moss
Burdick	Hill	Muskie
Byrd, W. Va.	Humphrey	Neuberger
Cannon	Jackson	Pastore
Carroll	Javits	Pell
Case, N.J.	Johnston	Proxmire
Clark	Long, Mo.	Randolph
Dodd	Long, Hawaii	Smith, Mass.
Douglas	Magnuson	Sparkman
Engle	Mansfield	Williams, N.J.
Fulbright	McCarthy	Yarborough
Gruening	McGee	Young, Ohio
Hart	McNamara	

NOT VOTING—7

Anderson	Chavez	Kerr
Blakley	Goldwater	
Bridges	Kefauver	

So Mr. GORE's amendment was agreed to.

Mr. GORE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUSH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 64, line 21, it is proposed to strike out "thirty-seven thousand" and insert in lieu thereof "twenty-eight thousand."

Mr. STENNIS. Mr. President, I yield myself 5 minutes. The amendment is offered for the purpose of making the present section in the bill conform to what has been agreed to in the military authorization bill with reference to Capehart housing. The conference report has not been submitted as yet, but it has been agreed to raise the ceiling. The conference report will propose that the House and Senate agree to raise the ceiling on the Capehart housing to 3,000 units, and that the enabling act for such program be continued for 1 year.

The proposal in the amendment merely makes the language in the bill conform to the military authorization bill, assuming that the bill will become law. The Senator from Alabama is familiar with the legislation, as are also other Senators. I am glad to yield to the Senator from Alabama.

Mr. SPARKMAN. I am in accord with what the Senator is seeking to do. There is one question in my mind on it, however, with reference to section 809 housing, which may come under the ceiling. I am not sure. Section 809 is housing that is built at centers such as Redstone Arsenal, Cape Canaveral, and centers like that. I want to be sure that the ceiling will be sufficient to take care of those.

Mr. STENNIS. This is a rather technical and complicated and involved matter. It should not be thrashed out on the Senate floor. I thought it would be possible to agree to it based on the advice of our technicians. I understood that the amendment was to be agreed to. If that is not the case, I can withdraw the amendment until the Senate has had further opportunity to study it.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I believe that possibly the fear of the Senator from Alabama is not warranted in view of the fact that the language of the amendment refers to section 803. The committee language would strike out "1961" and insert in lieu thereof "1962." The bill also proposes to strike out "twenty-five thousand" and to insert in lieu thereof "thirty-seven thousand." As I understand it, the Senator's amendment would be applicable only to section 803.

Mr. STENNIS. The Senator from Mississippi has no doubt that the amendment proposes to do exactly what he has said it would do. If the technicians of the Senator from Alabama have not had a chance fully to study it, I suggest that the amendment be withdrawn.

Mr. SPARKMAN. Let us not withdraw it. The statement of the Senator from South Dakota ought to clarify the situation, that it relates only to section 803 housing.

Mr. STENNIS. That is correct. I read the amendment: At page 64, line 21, it is proposed to strike out "thirty-seven thousand" and insert in lieu thereof "twenty-eight thousand."

That is the only provision of the amendment.

Mr. SPARKMAN. Mr. President, I am willing to accept the amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator yield, so that I may ask one question for clarification?

Mr. STENNIS. I yield.

Mr. CASE of South Dakota. As I understand, the reason for the 3,000 increase in the ceiling, under the conference report that is being prepared on the military construction bill, is that the 3,000 houses will be available to be placed under priorities to be determined by the Department of Defense, with the exception of 300.

Mr. STENNIS. The Senator is correct. Three thousand units would be designated by the Secretary of Defense, except that 300 of the 3,000 in the bill would be designated for the naval base at Norfolk, Va.

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

The PRESIDING OFFICER. The 5 minutes of the Senator from Mississippi have expired.

Mr. STENNIS. I yield myself 5 additional minutes. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. As one who has worked with the Senator from Mississippi on this problem in the Subcommittee on Preparedness and in the Committee on Armed Services, and as a member of the conference, together with the Senator from Georgia [Mr. RUSSELL], and the Senator from Mississippi [Mr. STENNIS], I hope the amendment will be accepted and adopted, because it carries out our thought that the Capehart housing law must be amended if it is to be of any value.

Mr. CAPEHART. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. CAPEHART. Do I correctly understand that the Senator is seeking to reduce the number of units and to extend the act for 12 months?

Mr. STENNIS. The purpose of the amendment is to increase the number of units by 3,000; to raise the present ceiling by 3,000. The authorization bill will also retain the 2,000 units of appropriated-funds housing, which the Senate added.

Mr. CAPEHART. I understand. I have no objection.

Mr. SPARKMAN. Mr. President, the Senator from Mississippi may not be ready to answer this question, but is consideration being given to the possibility of using appropriated funds to provide for military housing needs hereafter? In other words, have we caught up pretty well to the point where that can be done?

Mr. STENNIS. In the first place, this amendment is designed to take care of the forthcoming fiscal year. Thereafter, it is the sentiment of the conferees from the two military committees that the needs should be considered, and that an attempt should be made to meet those needs with appropriated funds.

It was further understood that if the need should become great, additional financing methods would have to be considered, but that before that was gone into, it was the sentiment that there would have to be a rewriting of the law, and materially substantial amendments should be added. Of course, we were not speaking for Congress on that point, but for ourselves and in our judgment.

Mr. SPARKMAN. I am pleased to hear the Senator from Mississippi say that. While I have felt that this provision has rendered great service, particularly in making available units needed by the Air Force—needed by all branches of the service, of course, but particularly the Air Force—I have always felt that the more economic and sounder method of providing housing is through appropriated funds.

Mr. STENNIS. The purpose is as the Senator from Mississippi has stated. I thank the Senator from Alabama and the Senator from Indiana.

Mr. President, if the other group are willing to yield back the remainder of their time, I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Mississippi.

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I call up my amendment designated "6-1-61—K" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 39, it is proposed to strike out lines 4 through 7, and insert in lieu thereof the following:

(1) inserting after *"Provided,* That" in section 10(1) the following: "the Authority may enter into new contracts for loans and annual contributions after the date of enactment of the Housing Act of 1961 for not more than thirty-seven thousand additional units: *Provided further,* That"; and

Mr. BEALL. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield to the Senator from Maryland.

Mr. BEALL. I am pleased that the Senate has adopted the Gore amendment. I congratulate the distinguished Senator from Tennessee for offering it. I wish to call particular attention to the fact that this amendment was brought to the attention of the Senate and was passed as a direct result of the series of amendments offered by the senior Senator from Indiana [Mr. CAPEHART], the ranking minority member of the

Committee on Banking and Currency of which I am a member. The able Senator from Indiana has always been a supporter of housing legislation and has been in the forefront of the efforts to improve the legislation. Certainly it was through his diligent efforts that the Senate, in its wisdom, saw the fairness of adopting the Gore amendment. This amendment, which reflects views of the Senator from Indiana as well as my own, has improved the bill considerably. The Senate is indebted to the Senator from Indiana.

Mr. CAPEHART. I thank the able Senator from Maryland.

Mr. MUNDT. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MUNDT. I associate myself with the remarks just made by the distinguished Senator from Maryland. I have been on the floor of the Senate during almost all the debate on the bill. I congratulate the distinguished Senator from Tennessee [Mr. GORE], who offered the amendment which was just adopted; the distinguished Senator from Oklahoma [Mr. MONRONEY], who, I thought, made a very persuasive and intelligent plea for the amendment; and certainly the distinguished Senator from Indiana [Mr. CAPEHART], who, hour after hour, called our attention to the necessity of providing in the bill language which would make it a home ownership bill, a bill to promote home ownership, and not to promote tenancy, as would have been done if the bill had provided for long-term loan payments with no downpayments.

I think we would have done a disservice to the people we are trying to help had we not made it essential that they make some kind of downpayment on a house, so that they will know it belongs to them, and that it will be a house on which they will be happy to pay.

I congratulate the Senate on adopting the amendment. More especially, I congratulate the Senator from Indiana, because I have observed him as he has stood beside me, hour after hour, pleading his cause.

I think the Senate acted with great wisdom in adopting the Gore amendment.

Mr. CASE of South Dakota. Mr. President, I wish to echo what my senior colleague from South Dakota [Mr. MUNDT] has said concerning the diligent and persistent efforts of the distinguished senior Senator from Indiana [Mr. CAPEHART] in bringing to the attention of the Senate the very grave questions which were involved in title 1 of the housing bill. His educational, patient work was largely responsible for the adoption of the Gore amendment to title 1.

Mr. CAPEHART. Mr. President, I thank the able Senators from South Dakota.

On my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CAPEHART. Mr. President, this amendment relates to the number of units of public housing to be authorized. A fight has taken place on this particular section in every housing bill that has been introduced in the last dozen years. In every case, Congress, before it finished with the bill, always reduced the number. The number which is ordinarily placed in the bill is 100,000. Heretofore, almost consistently, Congress has reduced that number to 25,000 or 37,000. I think it can be truthfully said, without successful contradiction by anyone, that the House has always been adamant on this question.

The bill before the Senate provides for about 100,000 units. My amendment would reduce the number to 37,000. The interesting thing is that 37,000 is more units than have been built in any one year in the history of public housing. I believe that is a correct statement. In other words, if we authorize 37,000 units, we shall be authorizing more units than the average number that have been constructed over the past 10 years. So there is no necessity for providing for 100,000 units, because 37,000 is as many as have been built in a year, and it is possibly more than will be built in the next 12 months—or the period covered by the bill.

That is about all there is to the amendment. We have debated this subject year in and year out, for many years. I believe that normally the Senate has been a little more liberal in regard to the number of public housing units than the House has been. I believe I can say, as one who has been one of the conferees for the past dozen years or more, in dealing with this subject, that a compromise has always been reached, and that the compromise has provided for a lesser number than that provided for in the bill as passed by the Senate.

Mr. President, I am not trying to eliminate public housing. We are simply trying to reduce the number to a practical number—a number greater than the average number constructed over the past 10 years. I believe this amendment would make the bill more practical.

I do not believe we received any testimony to the effect that more than 37,000 units would be needed during the next 12 months. There was no particular demand for any more; and I see no reason why we should be more liberal this year, as regards the number of public housing units, than we have been in prior years.

My State has very little interest in public housing. Generally speaking, our people are opposed to it. However, I have always gone along with what I thought was a reasonable number of public housing units, each year, on the theory that in the large cities there is some need for it. In fact, I am sure there is.

But I see no reason why the Senate should authorize 100,000 units, when in the next 12 months even less than 37,000 units will be built.

Mr. SPARKMAN. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SPARKMAN. I am sorry the Senator from Indiana has offered this amendment. What the committee did, in effect, was to reinstate the provisions of the 1949 act, as regards public housing.

A great many persons have talked about the number of additional units, and have said the number was 100,000. But that number is more or less plucked out of the air. The bill does not specify the number of units. Instead, we provide that the remainder of the number authorized in the 1949 act may be utilized. We often refer to the 1949 act as authorizing 810,000 units. However, that act did not authorize any particular number of units; it authorized the use of a certain amount of money—approximately $336 million per year, which might be used to subsidize public housing.

To date, approximately $270 million of that, I believe, has been used, and there remains approximately $70 million, of the amount originally made available. In this bill we provide that that may be used.

In view of the present cost of housing, if all that money is used that is expected to be available on July 1, 1961, about 100,000 units could be built. But in this bill there is also a provision to the effect that housing authorities may receive an additional contribution of $120 a year. So the number which may be built will depend largely on the number of units built for elderly persons in the future. My own guess is that the number provided for in the bill actually would be between 75,000 and 80,000. The Senator from Indiana seeks to reduce the number to 37,000.

We do not provide a definite period of time in which the units may be constructed.

I regard this amendment—and I say this without authority of the committee, but I believe it represents the thinking of the committee—as representing a phasing out of the public housing program as we have known it in the past. I do not know—since the Senate today voted out the alternative plan—whether that is true; but it is my hope that the use of the remaining units provided for under the 1949 act will phase out the public-housing program as we have known it in the past, and that we may be able to devise some plan as a substitute for it in the future.

A few minutes ago I stated certain figures. The amount already used is approximately $267 million or $268 million, leaving a balance of $68 million. I ask unanimous consent that the table contained on page 21 of the report on the housing bill may be printed at this point in the RECORD, in connection with my remarks, so that the exact figures will be available.

There being no objection, the excerpt from the report (No. 281) was ordered to be printed in the RECORD, as follows:

Classification	Dwelling units	Estimated commitment
1. Units under annual contributions contracts Mar. 31, 1961	577,448	$243,797,379
2. Balance of units authorized and estimated to be placed under annual contributions contracts by June 30, 1961	19,897	[1] 13,537,919
3. Total authorized program	597,345	257,335,298
4. Estimated authorization for additional subsidy of $120 a year for the elderly		10,624,702
5. Estimated additional number of units that could be authorized within the $336,000,000 per annum limitation established by the Housing Act of 1949	[2] 100,000	68,040,000
6. Total numbers of units which can be provided within the $336,000,000 per annum limitation	97,345	336,000,000

[1] This estimated amount of fixed annual contributions is projected by assuming: 40-year new LHA bonds, at 3¾ percent interest per annum and estimated average development cost of $14,000 per dwelling unit, which would require an annual contribution of $680.40.

[2] Number of units estimated as indicated in footnote 1.

Mr. SPARKMAN. Mr. President, this amendment would reduce to 37,000 the number of units which this money would provide. In that event, next year this question would probably be before us again, because there would still be unused funds from the 1949 authorization. My thought is that we might as well get rid of it and use it up; and apparently that was the thought of the committee.

This is not the first time the Senate has been called upon to take action in this field. On at least three other occasions the Senate has voted to renew the 1949 act.

Mr. CAPEHART. But the House did not do so.

Mr. SPARKMAN. That is correct; the House did not go along.

Now we are seeking to renew it again. I believe it is the best and the most orderly way to phase out the public housing program as we know it today.

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

Mr. SPARKMAN. I yield.

Mr. BUSH. Did the Senator from Alabama indicate how much unused authority there now is?

Mr. SPARKMAN. Yes, I stated that.

Mr. BUSH. I do not mean under the 1949 act; I mean under recent legislation. My impression is that we still have a substantial amount of unused authority.

Mr. SPARKMAN. That is correct; in the pipeline.

Mr. BUSH. Yes.

Mr. SPARKMAN. Yes; it is in the pipeline. But according to the testimony taken before our committee, all existing authority will be used by the end of this fiscal year.

Mr. BUSH. By the end of the 1961 fiscal year?

Mr. SPARKMAN. By June 30 it will be all placed under contract according to testimony from the Public Housing officials.

Mr. BUSH. Is it not true that we have been using up authorizations at the rate of 18,000 or 20,000 a year?

Mr. SPARKMAN. I believe the Senator is correct. I do not have the figures before me, but they are included in our hearings.

Mr. President, I ask unanimous consent that tables relating to the processing of public housing units be included at this point in the RECORD.

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

Public housing units completed for occupancy, 1935–60

Year	All public housing [1]	Low rent					War and defense housing	Veterans' reuse housing
		Total	U.S. Housing Act			All except U.S. Housing Act		
			Total	All except Public Law 171	Public Law 171 [2]			
Total	1,465,985	460,629	438,990	169,451	269,539	21,639	739,704	265,652
1935	0	0				0		
1936	798	798				798		
1937	7,376	7,376				7,376		
1938	13,465	13,465				[3] 13,465		
1939	4,960	4,960	4,960	4,960				
1940	34,308	34,308	34,308	34,308				
1941	120,851	[3] 61,065	[3] 61,065	[3] 61,065			59,786	
1942	156,901	36,172	36,172	36,172			120,729	
1943	[3] 371,700	24,296	24,296	24,296			[3] 347,404	
1944	153,596	3,269	3,269	3,269			150,327	
1945	44,157	2,080	2,080	2,080			40,171	1,906
1946	134,847	1,925	1,925	1,925			4,051	[3] 128,871
1947	107,097	466	466	466				106,631
1948	30,066	1,348	1,348	146	[4] 1,202		1,550	27,168
1949	1,242	547	547	280	[3] 267			695
1950	1,636	1,255	1,255	232	[5] 1,023			381
1951	10,246	10,246	10,246	252	9,994			
1952	63,835	58,258	58,258		[3] 58,258		5,577	
1953	64,773	58,214	58,214		58,214		6,559	
1954	47,734	44,293	44,293		44,293		3,441	
1955	21,008	20,899	20,899		20,899		109	
1956	11,993	11,993	11,993		11,993			
1957	10,513	10,513	10,513		10,513			
1958	15,472	15,472	15,472		15,472			
1959	21,845	21,845	21,845		21,845			
1960	15,566	15,566	15,566		15,566			
	Summarized by 5-year periods							
1935–39	26,599	26,599	4,960	4,960		21,639		
1940–44	[3] 837,356	159,110	159,110	159,110			678,246	
1945–49	317,409	6,366	6,366	4,897	1,469		45,772	265,271
1950–54	188,224	172,266	172,266	484	171,782		15,577	381
1955–59	80,831	80,722	80,722		80,722		109	

[1] Covers programs administered by HHFA or PHA; all units completed do not continue necessarily under PHA management.

[2] Excludes 110 units in a former PWA project and 228 units in part of a former Public Law 671 project rehabilitated under Public Law 171; however, these units are now under the management of PHA.

[3] Alltime high.

[4] Built under provisions of Public Law 301, later brought under Public Law 171.

[5] Includes 753 units started under Public Law 301.

Mr. BUSH. Mr. President, if the Senator will yield, I should simply like to make an observation. I have always supported public housing. I have been on the committee for 9 years. It seems to me, however, that an authorization for 37,000 additional units is a generous one, and far in excess of what we expect to use. The advantage of the amendment is that it would keep the committee and the Congress abreast of what is going on in the housing field. That is the advantage of the amendment.

Mr. SPARKMAN. If it were desired to legislate on a single-year basis, I would not have a great deal of quarrel with it, but I look at the measure as being a sort of clean-up of the housing authority provided under the 1949 Act. There is no particular time provided. The program might spread over 3 or 4 years. I think this plan is a good way to get the money in the pipeline and clean up the authority in the 1949 act. That is why I argue for the provisions in the bill rather than for the amendment of the Senator from Indiana.

Mr. BUSH. The advantage of the Capehart amendment is that it provides for occasional legislative review, which I think is desirable in connection with any of these big programs.

Mr. SPARKMAN. The Senator knows that our subcommittee has that right under the act.

Mr. BUSH. The committee has the right, but it does not exercise it.

Mr. SPARKMAN. I remind the Senator from Connecticut that every year, early in the year, representatives of the constituent agencies of the HHFA come before the subcommittee and give a report on the situation, so that we may study the program.

Mr. BUSH. I think it can be done, but I think a good reminder would be a deadline. Usually, when there is a deadline, there is action.

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

Mr. SPARKMAN. I yield.

Mr. JAVITS. I should like to point out, first, as one coming from a State which probably uses the largest amount of public housing authorizations, that public housing authorizations are absolutely essential to slum clearance and the intelligent use of urban renewal, because they are attributable to the need for a balanced housing program.

In New York, where we have probably used urban renewal more than has any other area of the country, the program would be impossible without the balancing feature of public housing. The basic reason for allowing this authorization to be made now is that it would give the Agency an opportunity to really let people plan. Otherwise, with 37,000 units in a particular year, the Agency would be almost in the position of trying to sell the units before the time limit expires; whereas on this basis, it could engage in orderly planning.

The amazing thing is that businessmen would never dream of operating under these conditions, and yet those who want to impose these conditions are the first ones to say we ought to have businesslike methods in government.

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

Mr. CAPEHART. Mr. President, will the Senator yield 1 second to me?

Mr. SPARKMAN. I yield myself 3 additional minutes, and yield to the Senator from Indiana. The Senator can get time of his own, however.

Mr. CAPEHART. There are 51,000 units in the pipeline at the moment. If 37,000 were added, the total would be 88,000 units. It seems to me that is enough.

Mr. JAVITS. But they are fully committed.

Mr. SPARKMAN. There are 40,000 in the backlog. While there may be 51,000 in the pipeline, there are applications for 40,000 waiting for additional units to be made available in order to be taken care of.

Mr. CAPEHART. They will not necessarily be authorized. In many instances those in the pipelines are withdrawn by the cities and housing authorities.

Here are the figures, as they appear on page 938 of the hearings:

Units in pipeline, not yet under annual contributions contract, 51,353.

Units remaining of current 37,000-unit authorization for contracts, which will be entered into by June 30, 1961, 19,897.

Remainder which would be charged against new authority, 31,456.

Additional units available under a new 100,000-unit program, 68,544.

Mr. JAVITS. If the Senator will yield for a comment, as one who comes from an area which utilizes the provisions to the full, I say, advisedly, that by doing what the committee wants to do we can best utilize the program, within the limited number of public housing units made available, and that we shall not be inhibited in terms of long-range planning for slum clearance by annual depressing factors which make it impossible to work in that way.

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

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. As I understand, the amount set aside for public housing is the amount established under the 1949 act.

Mr. SPARKMAN. It is what remains.

Mr. HUMPHREY. What we are doing is fulfilling the remainder of the Taft proposal as contained in the 1949 act. Is that correct?

Mr. SPARKMAN. Yes.

Mr. HUMPHREY. I cannot imagine that this proposal is "too far out in left field."

Mr. SPARKMAN. The Senate has passed on the question several times.

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

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

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from California would vote "nay," and the Senator from Georgia would vote "yea."

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON] would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Louisiana would vote "nay."

The result was announced—yeas 34, nays 58, as follows:

[No. 65]

YEAS—34

Allott	Dworshak	Robertson
Beall	Eastland	Saltonstall
Bennett	Ervin	Schoeppel
Bush	Hayden	Smathers
Butler	Hickenlooper	Stennis
Byrd, Va.	Holland	Talmadge
Capehart	Hruska	Thurmond
Carlson	McClellan	Wiley
Case, S. Dak.	Miller	Williams, Del.
Cotton	Morton	Young, N. Dak.
Curtis	Mundt	
Dirksen	Prouty	

NAYS—58

Aiken	Hickey	Metcalf
Bartlett	Hill	Monroney
Bible	Humphrey	Morse
Boggs	Jackson	Moss
Burdick	Javits	Muskie
Byrd, W. Va.	Johnston	Neuberger
Cannon	Jordan	Pastore
Carroll	Keating	Pell
Case, N.J.	Kefauver	Proxmire
Church	Kerr	Randolph
Clark	Kuchel	Scott
Cooper	Lausche	Smith, Mass.
Dodd	Long, Mo.	Smith, Maine
Douglas	Long, Hawaii	Sparkman
Fong	Long, La.	Symington
Fulbright	Magnuson	Williams, N.J.
Gore	Mansfield	Yarborough
Gruening	McCarthy	Young, Ohio
Hart	McGee	
Hartke	McNamara	

NOT VOTING—8

Anderson	Chavez	Goldwater
Blakley	Ellender	Russell
Bridges	Engle	

So Mr. CAPEHART'S amendment "K" was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. CAPEHART. Mr. President, I call up my amendment "6-1-61—C," and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. On page 45, line 8, it is proposed to strike out "$4,500,000,000" and insert in lieu thereof "$3,800,000,000".

Mr. CAPEHART. Mr. President, I ask for the yeas and nays, in order that Senators may be on notice.

The yeas and nays were ordered.

Mr. CAPEHART. Mr. President, the amendment would reduce the authorization in the bill of $2½ billion to $1.8 billion and limit the expenditure of the $1.8 billion to 4 years. The money appropriated would have to be spent in 4 years' time.

The bill would authorize $2½ billion, all of which could be spent in 1 year, 2 years, or 3 years. No limit is placed upon the time in which the $2½ billion must be expended. It could be expended in 2 years.

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

Mr. CAPEHART. I yield.

Mr. HUMPHREY. I wish the Senator would repeat the difference between his proposal and the provision of the bill. I make the suggestion most respectfully.

Mr. CAPEHART. The bill provides that $2½ billion be expended over an indefinite period. There would be no time limit. My amendment would reduce the amount to $1,800 million to be expended over a period of 4 years. The committee received reliable testimony that $400 million, $450 million, or $500 million was as much as could be expended in any one year on urban renewal. My amendment provides for the expenditure of $1,800 million.

The highest amount for capital grants in any one year under the urban renewal program was $270 million in 1960, of which only $131,524,000 was actually disbursed or expended. Therefore more money than is needed is provided in the bill.

I invite the attention of Senators to the fact that the bill before the Senate provides for total expenditures and authorizations of approximately $6 billion. FHA is now 25 or 26 years of age. During the 25 or 26 years of the life of FHA expenditures under all other housing bills totaled only about $6 billion. In other words, the bill before the Senate calls for as much authorization as was provided in all previous housing legislation in the history of FHA. Inasmuch as the bill is so expensive, and inasmuch as the testimony was that even the $1,800 million expended over a 4-year period is sufficient and ample, and considering the national debt of $294 billion and the demand upon us for more money for other purposes, we could well reduce the amount requested from $2½ billion to $1,800 million without in any way crippling or hurting the program. I do not understand why the proponents of the bill have requested $2½ billion. I do not know why they have asked for $2½ billion to be expended without any time limit.

It can be spent in 1 or 2 or 3 or 4 years. We have not been handling these programs on that basis. The question is very simple. It is whether we wish to authorize $2½ billion, or whether we wish to authorize $1,800 million. It is as simple as that. The testimony is that not more than 400 or 500 million dollars can be spent in any one year. The most that has been authorized in 1 year was $275 million, and the most that has been expended in 1 year was $131 million. What is there about the situation today which requires more funds than we are talking about? Congress is in session every year. If there is a good reason why more money is needed next year, we will be here to authorize it. We will be here the year after next to authorize it, and beyond that time.

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

Mr. CAPEHART. I yield.

Mr. CLARK. Is the Senator's amendment identified as "6-1-61—C"?

Mr. CAPEHART. Yes.

That is how simple it is, or how complicated it is, whichever way one wishes to look at it.

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

Mr. CAPEHART. I yield.

Mr. CARLSON. The statement has been made that this is a $9,300 million housing bill. Would the Senator's amendment reduce the amount by $700 million?

Mr. CAPEHART. It would reduce the authorization by $700 million in the urban renewal section.

Mr. CARLSON. In other words it would be $8.7 billion, instead of $9.3 billion. Is that correct?

Mr. CAPEHART. I believe that in all fairness it should be said it is a $6 billion bill.

Mr. CARLSON. The Senator from Indiana has confused me a little, because there are several statements in the RECORD to the effect that this is a $9.3 billion bill. He made the statement that it was a $6 billion bill. That is why I asked him the question.

Mr. CAPEHART. I may be mistaken. If I am, I wish to be corrected. I believe it is a $6 billion overall bill. All housing bills up to this time, in the 25 years that we have been enacting such bills, have totaled only $6 billion. In other words, the authorization in the pending bill is about the same amount as all other housing bills combined have provided in the past 25 years. That is why we can well afford to reduce the urban renewal portion by $700 million, because the figure of $2½ billion was picked out of the air. There is no testimony to show that that was the exact amount needed. It is an arbitrary figure. The testimony is that the maximum that can be spent is $500 million. The most that has been authorized in any one year is $275 million. The most that has been spent in any one year is $131 million. We are asked to authorize $2.5 billion. There is no limit as to the time in which the money is to be spent. It could be spent in 1 year, 2 years, or 3 years. In all fairness, it must be said that it could be spent over a number of years. That does not mean that the money must be spent in 1 year, but the bill would not prevent it.

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

Mr. CAPEHART. I yield.

Mr. LAUSCHE. For the purpose of clarification, the amendment of the Senator from Indiana uses the figure "$4,500,000,000." The Senator has been using the figure "$2,500,000,000." Where does the difference arise?

Mr. CAPEHART. It is the carryover. The total under urban renewal has been $4,500 million. We would reduce it by $700 million.

Mr. LAUSCHE. To $3.8 billion?

Mr. CAPEHART. That is the way we write legislation. The end result is $2,500 million in addition to the funds previously authorized. I would reduce the present amount by $700 million.

Mr. LAUSCHE. By $700 million?

Mr. CAPEHART. Yes.

Mr. LAUSCHE. The Senator has stated that the total amount spent since the program was put into effect is about $6 billion.

Mr. CAPEHART. That is for all purposes.

Mr. LAUSCHE. Then the Senator went on to say that the bill itself embraces $6 billion.

Mr. CAPEHART. In round figures.

Mr. LAUSCHE. In what period of time is the $6 billion authorization in the bill to be spent?

Mr. CAPEHART. The subject we are talking about, which is urban renewal, involves authorizations of about $2½ billion, with no time limit on them. The money could all be expended in 1 year or 2 years. Perhaps it would be spent over a longer period. I want to be fair. I do not see the necessity of authorizing $2½ billion, particularly in view of our huge debt, and the great call for expenditures. The President has said that we must sacrifice a little. This is a good place to start sacrificing $700 million, which is not particularly needed now. There is no proof that it could be used. It might be argued, "If it is not to be used what difference does it make?"

I believe it makes a great deal of difference. We should show responsibility rather than irresponsibility. When we say, "Here is $2½ billion, spend it in 1 year, 2 years, or 3 years." I believe to a certain extent we show irresponsibility.

Mr. CLARK. Mr. President, I yield myself 5 minutes in opposition to the amendment.

As the Senator from Indiana has said, this is a very simple issue, involving the question whether or not we wish to cut by several hundred million dollars the grant authorization for urban renewal, which has no time limit and which actually will take somewhere in the neighborhood of 15 years to spend, if past experience is any criterion. I believe my recollection is correct, that the committee, by a rather substantial majority, accepted the view of the Administrator of the Housing and Home Finance Agency, that the figure of $2.5 billion was the right amount to put into the bill for urban renewal.

Senators who are interested will find the argument spelled out very briefly at page 26 of the committee report. I quote from it briefly:

> In order to determine the amount of additional capital grant authorization that would be required to continue the program, the committee took into account the statements submitted by the HHFA that, by the end of June 1961, the backlog of applications would amount to $450 million, and that approximately $600 million of applications are expected for each year during the next 4 years.

I point out that the urban renewal program has gotten off the ground only in the past half dozen years. My own State is a good example. At first, only Pittsburgh and Philadelphia were interested. By now 45 communities in Pennsylvania have urban renewal projects underway.

In the judgment of many members of the committee, the Eisenhower administration was very niggardly in its urban renewal recommendations. We had a continuous fight to raise them. We

never succeeded in getting the authorizations high enough to take care of all the bona fide applications. The Eisenhower administration, in administering the urban renewal program, exerted a great deal of pressure to reduce the scope of urban renewal projects and to try to persuade cities to utilize less money.

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

Mr. CLARK. I yield.

Mr. BUSH. I wonder whether the Senator would explain why he makes such a statement about the Eisenhower administration's attitude on urban renewal. I do not believe he can support that statement.

Mr. CLARK. I make the statement on the basis of my own experience during the 4½ years I have been in the Senate, and based on my intimate contact with the HHFA and the Urban Renewal Administration. I know those people. I have discussed Pennsylvania problems with them. I have served on the Housing Subcommittee. That is my best judgment of what happened.

Mr. BUSH. I wonder why the Senator makes that statement, when only recently the Commissioner of Urban Renewal, from the Senator's own State, was complimented by him before the Committee on Banking and Currency. I refer to David Walker.

Mr. CLARK. The Senator is correct. Dave Walker did his very best; but he was overruled, time after time, by Norman Mason and by his predecessor. In my judgment, the whole administration of HHFA in the Eisenhower administration was as strongly opposed to the principle of urban renewal as the new administration is in favor of it.

Mr. BUSH. I do not wish to use up too much of the Senator's time, but I take sharp issue with his statement. Together with the Senator from Pennsylvania, I have worked on urban renewal legislation since 1954, when the act was passed. I have worked for it and supported it since then, as the Senator knows. I do not believe it is fair for him to say that the Eisenhower administration put a roadblock in front of the program.

Mr. CLARK. The Senator from Connecticut is entitled to his own opinion. I am certainly entitled to mine. I have no reason for changing my opinion. The Senator from Connecticut and I disagree; that is all. I am always happy to engage in a colloquy with the Senator from Connecticut, even though we do not agree.

Mr. CASE of New Jersey. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. CASE of New Jersey. I favor the provision in the bill as it stands. I support the Senator from Pennsylvania in his argument in chief, but I believe the Senator from Connecticut is eminently correct in his support of the Eisenhower administration.

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

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

Mr. CLARK. I yield myself 5 additional minutes. I am only too happy to have my Republican friends come to the defense of the Eisenhower administration. I yield to the Senator from New York.

Mr. JAVITS. I thank the Senator from Pennsylvania. We can get a minute or two, I am sure, from the Senator from Indiana.

I feel as does the Senator from New Jersey. I support the argument in chief. I think I may, with pardonable pride, say that I have helped to work on the bill and that I am in favor of housing. On a number of occasions I voted to override vetoes, even in the Eisenhower administration.

I have not the figures before me now, but I am quite clear in my belief that, if anything, the Eisenhower administration favored urban renewal as against other types of programs, being far less favorable to public housing.

It is my distinct impression that the Eisenhower administration felt that programs for urban renewal were on the right track.

I thought this statement should be made in all fairness.

Mr. CLARK. I am quite as desirous of being fair as is the Senator from New York. I only point out that year after year, even before I became a Member of the Senate, when I was mayor of Philadelphia, I used to come to Congress and ask for an annual grant authorization of $600 million, which now, for the first time, we have finally obtained.

Year after year, the Eisenhower administration paid no attention whatever to what the mayors recommended. That administration reduced the amounts. My recollection is that on several occasions the Senate increased the authorization above the Eisenhower administration recommendations. On one occasion the House went along with the Senate. But not only did the Eisenhower administration reduce the grant authorization below what was needed, but it also made an effort—an unsuccessful one, I am happy to say—to reduce the Federal share of the cost of the program and to increase correspondingly the local contribution, an action which we who believed in the urban renewal program were convinced would severely injure the program.

Mr. JAVITS. I think both points of view are correct. I think the Eisenhower administration was hardheaded about keeping separate the amounts representing what was used and what was usable. I think it felt strongly that there ought to be a reshuffling of the amount of contributions. But I do not think there was any inconsistency in being hardheaded about using money and following the general sentiment for urban renewal. Very substantial authorizations for urban renewal were made upon the recommendation of the Eisenhower administration.

Mr. CAPEHART. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. CAPEHART. A moment ago the Senator made the statement that as mayor of Philadelphia he came to Washington and fought for $600 million a year for urban renewal. I remind him that my amendment, which calls for $1,800,000,000, would provide $600 million a year for three years.

Mr. CLARK. I understand that.

Mr. CAPEHART. That seems to me to be far enough in advance to be authorizing appropriations.

Mr. CLARK. I understand.

Returning to the burden of my argument, I call attention to page 26 of the report. The HHFA presented very carefully prepared testimony, supported by the Nation's mayors, stressing the importance of a continuing program for 5, 6, or 7 years, so that communities could plan ahead with assurance that their plans could be executed and the Federal help could be available when the time came.

I point out one thing, particularly to the Senator from Ohio, who engaged in a colloquy with the Senator from Indiana a moment ago. The Senator from Ohio and the Senator from Indiana were referring to spending. There is a great difference between spending and grant authorization.

The PRESIDING OFFICER. The time of the Senator from Pennsylvania has again expired.

Mr. CLARK. I yield myself an additional 5 minutes.

If the Senator from Ohio will do me the honor of looking at the table at the top of page 26 of the report, he will note that the amount disbursed for 1956 was only $13.6 million; for 1957, $29.6 million; and even in 1960, when the program first began to roll, it was no more than $106.8 million. The record shows that anywhere from 3 to 15 years are required for grant authorizations to be converted into money actually going out of the Treasury.

I agree with the Senator from Ohio on the point I am sure he has in mind, that sooner or later the money will be spent. That is obviously true. However, I think we ought to consider the period over which the spending will take place. The amount of spending which this authorization would call for in the near future is much less than the amount which the Senator from Indiana and the Senator from Ohio were talking about.

Let me return to the $600 million of applications. I read from the report:

> The Agency justified its estimate of $600 million per year over the next 4 years by referring to the increased activity in the program in recent months.

I say again that the increased activity is due to the fact that a new administration is in office and is pushing the program. I continue reading from the report:

> It also referred to the needs of this fund to take care of the provision in the recently passed depressed area legislation which would permit the use of urban renewal funds for the redevelopment of nonresidential property in depressed areas. Increased demand is also expected in consequence of the growing interest in urban renewal by universities and colleges.

This last sentence refers to the provision whereby colleges and universities and urban hospitals can take advantage

of the urban renewal provisions of the bill in order to get the land necessary for the expansion of their needed facilities.

The table which appears at the top of page 27 of the report shows the basis on which the $600 million authorization is requested.

The urban renewal program has been on a hand-to-mouth, year-by-year basis even since I came to the Senate. In all that period and before, those who were responsible for the program of urban renewal, the authorities and the mayors in the various cities were asking for a long-range program, so that they might know ahead of time how to make their plans. It was for that reason that the figure was placed as high as it is in the bill.

I agree with the Senator from Indiana that no catastrophe would result if his amendment were to be approved. However, a majority of the members of the committee felt it was wiser to authorize the full amount of the grant authorization requested by the administration. I again emphasize that this does not mean that actual spending will approach the magnitude of the $600-million-a-year figure for many years to come. Therefore, on behalf of the chairman of the subcommittee, who is in charge of the bill and who asked me to represent him in connection with this particular amendment, I ask that the amendment be rejected.

Mr. CAPEHART. Mr. President, I am prepared to yield back the remainder of my time.

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

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arizona [Mr. HAYDEN], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Mexico would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Oregon would vote "nay."

The result was announced—yeas 38, nays 55, as follows:

[No. 66]

YEAS—38

Allott	Eastland	Russell
Beall	Ervin	Saltonstall
Bennett	Fong	Schoeppel
Boggs	Hickenlooper	Smathers
Butler	Holland	Stennis
Byrd, Va.	Hruska	Talmadge
Capehart	Jordan	Robertson
Carlson	Lausche	Thurmond
Case, S. Dak.	McClellan	Wiley
Cotton	Miller	Williams, Del.
Curtis	Morton	Yarborough
Dirksen	Mundt	Young, N. Dak.
Dworshak	Prouty	

NAYS—55

Aiken	Hart	McNamara
Bartlett	Hartke	Metcalf
Bible	Hickey	Monroney
Burdick	Hill	Morse
Bush	Humphrey	Moss
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Pastore
Carroll	Johnston	Pell
Case, N.J.	Keating	Proxmire
Church	Kefauver	Randolph
Clark	Kerr	Scott
Cooper	Kuchel	Smith, Mass.
Dodd	Long, Mo.	Smith, Maine
Douglas	Long, Hawaii	Sparkman
Ellender	Long, La.	Symington
Engle	Magnuson	Williams, N.J.
Fulbright	Mansfield	Young, Ohio
Gore	McCarthy	
Gruening	McGee	

NOT VOTING—7

Anderson	Chavez	Neuberger
Blakley	Goldwater	
Bridges	Hayden	

So the amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, I have an amendment at the desk. I have spoken to both the manager of the bill, the Senator from Alabama [Mr. SPARKMAN], and the ranking minority member of the committee, the Senator from Indiana [Mr. CAPEHART], about this particular amendment. Before it is read, let me say that the purpose of the particular amendment is to provide that municipalities with populations of 150,000 or less which are located in areas which have been officially designated by the Secretary of Labor, under existing law, for area redevelopment assistance or are known as distressed areas, would be eligible for three-fourths urban renewal grants under the urban renewal sections of the bill, instead of two-thirds. This amendment affects the smaller communities, which have, all too often, resources too small to engage in activities of urban renewal, and also affects only those areas which are declared to be distressed areas.

I offer the amendment on behalf of the Senator from Pennsylvania [Mr. SCOTT], and myself.

Since the amendment deals with many technical parts of the bill, I thought I should explain it first, so that the reading of it might be omitted, although, if the Senate desires it, it is perfectly agreeable with me to have it read, or have it printed in the RECORD.

I have discussed the amendment with the Senator from Alabama [Mr. SPARKMAN], and the Senator from Indiana [Mr. CAPEHART].

The PRESIDING OFFICER. Without objection, the amendment may be printed in the CONGRESSIONAL RECORD without reading.

The amendment offered by Mr. HUMPHREY, for himself and Mr. SCOTT, is as follows:

On page 42 beginning with line 20 strike out all through line 9 on page 43 and insert in lieu thereof the following:

"INCREASED FEDERAL AID FOR SMALLER COMMUNITIES IN REDEVELOPMENT AREAS, POOLING GRANTS-IN-AID BETWEEN PROJECTS

"SEC. 301. (a) Section 103(a) of the Housing Act of 1949 is amended by inserting '(1)' after '(a)', by striking out the last two sentences, and by inserting at the end thereof the following:

"'(2) The aggregate of such capital grants with respect to all of the projects of a local public agency (or of two or more local public agencies in the same municipality) on which contracts for capital grants have been made under this title shall not exceed the total of—

"'(A) two-thirds of the aggregate net project costs of all such projects to which neither subparagraph (B) nor subparagraph (C) applies, and

"'(B) three-fourths of the aggregate net project costs of any of such projects which are located in a municipality having a population of one hundred fifty thousand or less, according to the most recent decennial census, if such municipality is situated in an area which, at the time the contract or contracts involved are entered into or at such earlier time as the Administrator may specify in order to avoid hardship, is designated as a redevelopment area under the second sentence of section 5(a) of the Area Redevelopment Act), and

"'(C) three-fourths of the aggregate net project costs of any of such projects (not falling within subparagraph (B)) which the Administrator, upon request, may approve on a three-fourths capital grant basis.

"'(3) A capital grant with respect to any individual project shall not exceed the difference between the net project cost and the local grants-in-aid actually made with respect to the project.'"

On page 43 beginning with line 22 strike out all through line 2 on page 44 and insert in lieu thereof the following:

"(c) The third and fourth sentences of section 110(e) of such Act are each amended by striking out 'pursuant to the proviso to the second sentence of section 103(A)' and inserting in lieu thereof 'pursuant to section 103(a)(2)(C)'."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] for himself and

the Senator from Pennsylvania [Mr. SCOTT].

Mr. DIRKSEN. Mr. President, let us ask for the yeas and nays.

Mr. HUMPHREY. If the Senator insists. I understood it was desired to take the amendment to conference. A similar, and much broader, provision is in the House bill. The purpose of the amendment is to give the Senate an opportunity, in conference, to confer on what some Senators have termed a more reasonable provision.

I felt that, since both the majority and minority members of the committee were willing to accept it, and since the bill would be in conference anyway, this would be the sensible thing to do.

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

Mr. HUMPHREY. I yield.

Mr. HRUSKA. Does the amendment involve the expenditure of additional funds, and if so, how much?

Mr. HUMPHREY. It does not. It merely provides that in certain smaller communities, where the resources are less, it would be possible to make better grants under urban renewal provisions which have been already placed in the bill.

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

Mr. HUMPHREY. I yield.

Mr. SCOTT. I was about to make the same point. According to my information the amendment does not involve any additional funds. It has been cleared with Senators on both sides of the aisle who would naturally be consulted. This amendment would affect such areas as Scranton and Erie.

It seems to be a highly desirable amendment. I hope it will not be necessary to go through the yeas and nays on it. There has been general agreement on it by Senators who are familiar with the contents of this complicated measure.

I ask unanimous consent that certain remarks I have prepared on the amendment may appear in the RECORD at this point.

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

STATEMENT BY SENATOR SCOTT

As you know, since coming to the Senate, I have vigorously supported programs which would aid the redevelopment of depressed areas for our country.

President Kennedy, in his housing message, pointed out that the housing industry is one of the largest employers of labor. The President also pointed out that many other supplying industries and services depend largely and directly on new housing construction.

What would be a better way to help absorb this surplus labor we have in many areas of the country than to give priority to those areas which would qualify for assistance under the area redevelopment legislation, passed earlier in this session of the Congress?

My amendment would increase the Federal grant from two-thirds to three-fourths for communities of 150,000 or less which qualify for assistance under the area redevelopment formula.

Adoption of this amendment, as I have said, would not only be a proper approach to the solution of the surplus labor problem, but it would recognize the housing problems of those families of modest income, especially in hard-pressed areas.

The committee in reporting this legislation expressed concern about the "state of the national economy and the continued lack of sustained vitality shown by the homebuilding industry." I am sure that if we studied the industry in those areas that would qualify under the area redevelopment formula, the lack of such vitality would be quite evident.

I feel that my amendment is entirely consistent with both the objectives of aid to depressed areas and of good housing legislation.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent to have a statement by me appear in the RECORD at this point.

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

STATEMENT BY SENATOR HUMPHREY

Under this amendment, municipalities with populations of 150,000 or less which are located in areas designated by the Secretary of Labor for redevelopment assistance or distressed areas would be eligible for the three-fourths urban renewal grant from the Federal Government.

I am happy to report that the House Committee on Banking and Currency adopted a similar amendment in its housing bill reported out for action by the House of Representatives. This action by the House committee certainly gives strong evidence in support of the amendment which I am sponsoring.

Let me quote from discussion of title III, "Urban renewal and planning, on page 22 of the report of the House Committee on Banking and Currency on its housing bill, H.R. 6028:

INCREASED FEDERAL CONTRIBUTION IN SMALLER COMMUNITIES

"Section 301 of the bill would increase the Federal grant from two-thirds to three-fourths for communities of 50,000 or less, as well as for communities up to 150,000 which qualify for assistance under the area redevelopment legislation. Your committee has long been convinced that smaller communities are at a relative disadvantage in the urban renewal program and that in equity their required contribution to the cost of the project should be somewhat lower than that of larger cities. In the first place, smaller communities do not have the large staffs and facilities which larger cities enjoy. But more important, since their volume of civic improvements is often at a lower volume, they quite often are unable to enjoy the advantages which larger cities have of meeting their one-third requirement through noncash grants-in-aid."

My amendment to section 301 of the housing bill, S. 1922, is in accord with section 301 as approved by the House committee in H.R. 6028. I believe we should enact this program of increased Federal urban renewal assistance for the smaller communities of our country which are located in areas designated for assistance under the Area Redevelopment Act.

Job-producing, wealth-producing urban renewal projects can give a tremendous boost to our smaller communities. I am convinced that these communities need greater Federal support to make their urban renewal efforts successful, and I urge my colleagues to provide the needed support and assistance by approving the amendment which I am now sponsoring.

The following cities would be eligible for increased Federal grants under my amendment: Altoona, Pa., Ashland, W. Va., Atlantic City, N.J., Charleston, W. Va., Duluth, Minn., Erie, Pa., Evansville, Ind., Fall River, Mass., Hazleton, Pa., Huntington, W. Va., Johnstown, Pa., Lowell, Mass., New Bedford, Mass., Pawtucket, R.I., Ponce, P.R., Mayaguez, P.R., Scranton, Pa., Wheeling, W. Va., Wilkes-Barre, Pa., plus some 90 smaller municipalities as follows:

AREAS OF SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT [1]

May 1961

Alabama: Gadsden, Jasper.

Alaska: Anchorage.

California: Modesto, Ukiah.

Connecticut: Ansonia, Bristol, Danielson.

Georgia: Cedartown-Rockmart.

Illinois: Cairo-Metropolis, Centralia, Harrisburg, Herrin-Murphysboro-West Frankfort, Litchfield, Mount Vernon.

Indiana: New Castle.

Kansas: Pittsburg.

Kentucky: Corbin, Hazard, Hopkinsville, Madisonville, Middlesboro-Harlan, Morehead-Grayson, Paducah, Paintsville-Prestonsburg, Pikeville-Williamson.

Maine: Biddeford-Sanford.

Maryland: Cambridge, Cumberland, Hagerstown.

Massachusetts: North Adams.

Michigan: Adrian, Bay City, Marquette, Monroe, Port Huron.

Minnesota: Brainerd-Grand Rapids, Hibbing-Virginia.

Missouri: Flat River, Washington.

Montana: Butte, Kalispell.

New Jersey: Bridgeton, Long Branch, Ocean City-Wildwood-Cape May.

New York: Amsterdam, Auburn, Gloversville, Jamestown-Dunkirk, Ogdensburg-Massena-Malone, Plattsburgh.

North Carolina: Fayetteville, Kinston, Lumberton, Wilson.

Ohio: Athens-Logan-Nelsonville, Batavia-Georgetown-West Union, Cambridge, Portsmouth-Chillicothe.

Oklahoma: McAlester, Muskogee.

Pennsylvania: Berwick-Bloomsburg, Butler, Clearfield-Du Bois, Indiana, Kittanning-Ford City, Lewistown, Meadville, New Castle, Pottsville, St. Marys, Sayre-Athens-Towanda, Sunbury-Shamokin-Mt. Carmel, Uniontown-Connellsville.

South Carolina: Conway.

Tennessee: La Follette-Jellico-Tazewell.

Texas: Laredo.

Virginia: Big Stone Gap-Appalachia.

Washington: Aberdeen, Anacortes, Centralia, Port Angeles, Yakima.

West Virginia: Beckley, Bluefield, Clarksburg, Fairmont, Logan, Morgantown, New Martinsville, Oak Hill-Montgomery, Point Pleasant-Gallipolis, Ronceverte-White Sulphur Springs, Welch.

Mr. CLARK. Mr. President, I congratulate the Senator from Minnesota for offering the amendment. I hope the chairman of the subcommittee will agree to take it to conference.

This amendment will be of special assistance to many urban communities in Pennsylvania which do not have the wherewithal to engage in the kind of urban renewal plans which are essential for their well-being.

The amendment has been urged on me by the Northeast Pennsylvania Industrial Development Commission, which represents the region centering on

[1] Areas officially classified as "areas of substantial unemployment" by the Bureau of Employment Security, which meet the additional criteria for designation as areas with "substantial and persistent" unemployment in connection with Federal procurement programs. The eligibility of these areas for assistance under the recently enacted Area Redevelopment Act (P.L. 87-27) was being reviewed at the time this bulletin went to press.

Wilkes-Barre, Scranton, and Hazleton. I am delighted that my friend from Minnesota has taken the lead in this matter, and I am happy to support him.

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

Mr. HUMPHREY. I yield.

Mr. JAVITS. I gather that the amendment would merely reduce the local contribution, and would not deal with the question of priorities.

Mr. HUMPHREY. It would not establish priorities. The amendment merely provides that if an urban renewal project is undertaken while the community is declared to be a distressed area, the contribution of the Federal Government shall be three-fourths instead of two-thirds. The amendment does not involve extra funds. It would affect many communities in the Nation which might very well come under the urban renewal program.

The amendment does not provide that such communities shall be given priority over other communities.

Mr. JAVITS. The amendment does not affect allocations.

Mr. HUMPHREY. It does not.

Mr. JAVITS. Or State limitations?

Mr. HUMPHREY. It does not. The amendment merely affects the Federal contribution in case a community which is declared by the Department of Labor to be a distressed area seeks to participate in the program.

Mr. JAVITS. I understand the purpose of the amendment and I might well be in sympathy with it. We might as well be realistic, however, about the fact that the amendment would reduce the availability of Federal money for other urban renewal projects—perhaps not very much, but it would cut down the funds available. I point out that the administration was not favorable to this particular amendment. After assessment of equities, in view of the fact that there are no priorities and no change in allocations, I may not oppose the amendment.

I make these points not in any vain way, because this amendment will go to conference. There is a very much more comprehensive provision in the bill of the other body.

I merely wish to set up some red lights with respect to how the provision will affect other large areas, such as those my colleague [Mr. KEATING] and I represent in New York, which also participate in programs supported by these funds.

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

Mr. HUMPHREY. I am happy to yield.

Mr. DIRKSEN. The Senator from New York puts his finger on an important point. The available amount of money will be reduced in proportion as we bring within the orbit of the bill a larger number of communities and give them a three-quarters allowance instead of a two-thirds allowance for urban renewal.

What would be the result? The larger metropolitan centers would come back to the Congress in due course and ask for more and more money in order to carry on their urban renewal plans.

I point out that only a day or two ago an amendment to the Department of the Interior appropriation bill, was offered for an unbudgeted item never contained in the House bill, which called for $30 million to build up the so-called distressed areas program. That is what happened.

This is the same type of back-door approach. I am reluctant, of course, to ask for the yeas and nays at this hour of the day, but I wish to have the RECORD show that I am opposed to the procedure. I shall withdraw the request for the yeas and nays, if that is the desire of the Senate, in the interest of conservation of time. There can be a vote by a show of hands or by a division. This is a back-door approach.

At an hour when we ought to be thinking about the conservation of the financial resources of this country we are presented with one amendment after another to chisel away at the stability, durability, and vitality of the home front, which is the first line of defense of this country.

Senators will hear more about the budget before this session is over. This is the living evidence of what we are doing. The $3.5 billion deficit, which I pointed out, under the May 25th revision of the budget is certainly not the limit. We shall be lucky if we get out with less than a $5 billion deficit in fiscal year 1962.

We are presented with recurring efforts to build up the budget. The Senator from Illinois wishes to be on record on the amendment. There can be a vote or not.

Mr. HUMPHREY. I say to the Senator most respectfully—and I surely have great respect for him—that the amendment would not add a dollar to the amount.

Mr. DIRKSEN. Oh, I know.

Mr. HUMPHREY. I wish to have that made clear. The Senator from Indiana attempted a moment ago, with what he believed was a desirable amendment, to cut the program. The amendment was defeated. This amendment would not add any extra money. One may disagree with the purpose of the amendment, but I wish to make it clear that the amendment would not add extra money.

I appreciate the courtesy of the Senator and his willingness to accommodate us, even though I must say I am not particularly concerned about yea and nay votes.

Mr. DIRKSEN. I am an accommodating soul, but it makes me very unhappy.

Mr. HUMPHREY. Mr. President, I am prepared to yield back my remaining time.

Mr. KEATING. Mr. President, will the Senator yield before he does so, for a comment and a question?

Mr. HUMPHREY. I yield.

Mr. KEATING. Mr. President, the Senator has made the assertion that the House bill has a much more liberal provision with regard to this proposal concerning the special break to cities under 50,000 or, if they are in depressed areas, under 150,000.

Mr. HUMPHREY. Yes.

Mr. KEATING. The purpose of offering the amendment, as I understand it, is to go into conference with a more conservative approach. There are, of course, many very good traders in this body. I am looking at a few of them now. One sits very close to the distinguished Senator from Minnesota. There are others.

I wonder, though, whether we would not be in a better position in conference if we did not agree to the amendment. We could then trade on the basis of zero, if the House proposal is so extensive that it goes much further than we might wish to go. Would we not be better off to have no provision than to have a modest provision, so that we would be prepared to yield modestly in order to get a bill passed later? That is a practical question.

Mr. HUMPHREY. The Senator always makes valuable contributions to these discussions.

The main difference between the proposal I offer in behalf of myself and the Senator from Pennsylvania and the House proposal is that the House proposal would include all cities of 50,000 or less, regardless of whether they are in depressed areas, for a three-quarters contribution. We have eliminated that provision. We are not asking for it. We merely provide that cities of 150,000 or less which have qualified under what is known as the area redevelopment, the area development, or distressed area formula, may be eligible for a larger contribution.

Mr. KEATING. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I modified the amendment. I am sorry I did not bring that to the Senator's attention.

Mr. KEATING. The amendment as printed is not accurate, then?

Mr. HUMPHREY. The Senator is correct. The Senator from Pennsylvania [Mr. SCOTT] and I, and other Senators, have worked out language to modify the proposal. That is why I offered the explanation prior to the offering of the amendment.

Mr. SCOTT. Mr. President, the Senator from Minnesota is quite correct.

Mr. KEATING. To some degree that may change the situation. There are, in fact, depressed areas under 150,000 in population which probably need the additional help.

Nevertheless, I must join in the caution of our distinguished minority leader.

If we increase the allowance from two-thirds to three-quarters, some of the larger communities will come to Congress next year and say, "Why can we not participate in this program? Why is a city with 140,000 any better off than we are, with 300,000?"

Mr. DIRKSEN. Why should they not come in to ask for more?

Mr. KEATING. I am supporting the Senator. I hope the Senator will not enter into a controversy with me, for at

the moment I am supporting his position. The position has much merit.

Mr. HUMPHREY. Yes. I do not say that the Senator from Illinois makes arguments without merit. I merely point out that in the situation which confronts the Nation and confronts many municipalities, judging from the testimony given by representatives of the municipalities, this is a reasonable proposal. I think it is a more reasonable proposal than that of the other body. I believe it is joined in by reasonable men.

I ask only that we have a reasonable amount of time, which I am willing to give away so that the Senate may vote on the amendment.

Mr. KEATING. I agree to both theses. The Senators offering the amendment are very reasonable men. It is a much more reasonable provision than the House provision.

For this very reason I am convinced that we would be better off to suggest this point in conference. Because I share the Senator's objective, I must oppose him on this amendment.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS of Delaware. As I understand, the bill provides for the coverage of a large number of communities under the two-thirds contributing formula, and the amendment of the Senator from Minnesota would raise the formula to three-quarters and reduce the number of eligible communities?

Mr. HUMPHREY. The amendment would not reduce the number of eligible communities. In all fairness, as the Senator from Illinois has said, if all the so-called eligible communities were to come in under the amendment for urban renewal projects, it would mean that funds which might have been allocated to some other communities would have been consumed. I think one should be factual and honorable about this argument. I say with equal candor that I am convinced that most of our communities will not participate. But for those that need the assistance, the amendment would provide a fair allocation. It would not expand the base at all. It would not establish any priorities. It would not include extra money. It would not add more money to the expenditures under the budget.

Mr. WILLIAMS of Delaware. The question I asked is whether it would be possible for the conferees to accept the higher figure in one part of the proposal of the Senator from Minnesota, and then accept the larger coverage of the House, and have broader coverage on the proposal.

Mr. HUMPHREY. I cannot predict what conferees will do, having been a conferee myself.

Mr. WILLIAMS of Delaware. In conference it would be theoretically possible to expand the whole proposal, both as to amount and coverage.

Mr. HUMPHREY. In conference it is possible to do things that no one would ever contemplate. Theoretically it is also possible for the Senate to see that such result would not happen.

Mr. LAUSCHE. Mr. President, I should like to speak in opposition to the amendment.

Mr. DIRKSEN. I claim time in opposition. I yield 5 minutes to the distinguished Senator from Ohio.

Mr. LAUSCHE. I cannot subscribe to the amendment. It is a continuation of the inch-by-inch advancement of programs that would involve the Federal Government. The amendment would involve programs with Federal financial help, and reduce the requirement upon local communities to contribute to such programs.

A year ago it was argued that in order to obtain stabilized programs, the amount that communities should contribute ought to be increased rather than decreased. We have seen an example in the housing bill of the inch-by-inch technique of advancing in federalization and centralization of government. This proposal is a mere beginning, as has been pointed out by the Senator from New York. The amendment would have quite an appeal to towns of 150,000 population and less. All such towns would have to do would be to put up 25 percent and the Government would put up 75 percent.

Next year a program would be advocated to provide assistance for cities of 1 million and provide also that such cities would contribute only 25 percent and the Federal Government 75 percent for the cost of such program.

I do not know of a single program in which Federal grants are involved with respect to which there has not existed this constant advance. It is a beguilement of the citizenry to say that the Federal Government would put up the money, and that back home the money would not have to be put up. Finally, the taxpayers must pay. I am of the opinion that we will reach a deficit of $7 billion on the basis of what is presently being done.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. CASE of South Dakota. I suggest to the Senator from Ohio that title VI goes, not inch by inch, but leap by leap, into a new space program that would cost $100 million in the first few months, if the administrator wanted to use that amount. I expect to offer an amendment, as soon as I have an opportunity to do so, to strike out title VI. I trust that the Senator from Ohio will be present in the Chamber at that time, because there will be a yea-and-nay vote on the amendment. In order that Senators may know what title VI proposes, it is a $100 million leap into space for an entirely new program.

Mr. HUMPHREY. The Senator does not suggest that his point applies to the pending amendment?

Mr. CASE of South Dakota. No; but the Senator from Ohio was making an eloquent argument on an inch-by-inch proposal. I want the benefit of his strong argument when my amendment is offered.

Mr. LAUSCHE. I cannot see how the Senate can be so easily beguiled into the belief that the proposal is innocuous, and that its ultimate impact will affect only towns of 150,000 or less.

I believe that crying out loudly is the proposition that the bill would be the beginning of a general reduction of contributions that must be made by local governments. I respectfully ask the Senate why there was originally written into the law the provision that the amount of the contribution should be 33⅓ percent. That provision was inserted in the law in order to insure local prudence in programs adopted.

In the farm, housing, and other programs there have been constant advances, introduced in such a way as to make it appear that nothing wrong is happening, while the eventual goal of complete Federal aid is being approached. I really do not believe that this question ought to pass without a yea-and-nay vote. It is of far more importance than has been indicated.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I am about to yield back the remainder of my time. I wish to make it clear that the proposal is not a relief program. The communities which would qualify under the program are in the home States of Senators, the smaller communities in which jobs will be made available, and the aid will not be in the form of temporary unemployment compensation. Construction crews will be at work, cities will be cleaned up. and buildings erected. I submit that the proposal makes good sense.

I am ready to yield back the remainder of my time.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. Is it not true that the program is a kind of relief program on behalf of cities that would qualify as under 150,000 population, and in depressed areas at the expense of the larger cities in the same States whose populations are above 150,000, and those cities under 150,000 which are not in depressed areas?

Mr. HUMPHREY. In every State different programs benefit different income levels. For example, in my State of Minnesota there is State aid. Some areas of the State receive much more aid than other areas of the State because of income problems and unemployment problems. I do not say that some people will not be better helped by the program than others. But they must qualify under rather high standards; namely, high unemployment, distressed areas, and other qualifications under laws which Congress has passed, and which have been signed by the President. I submit that if a town qualifies under those standards, it might very well be eligible for such help.

Mr. HOLLAND. The Senator has not answered my question.

Mr. HUMPHREY. The answer is "Yes."

Mr. HOLLAND. The larger cities will have to contribute?

Mr. HUMPHREY. Yes.

Mr. HOLLAND. And also cities under 150,000 which are not depressed areas?

Mr. HUMPHREY. Yes.

Mr. HOLLAND. How does the Senator believe that Senators from a State such as New York, for example, in which there are great cities, which would be adversely affected, would feel? All other cities under 150,000 which are not in depressed areas would also be adversely affected. How would they feel about a situation of this kind? How does the Senator feel about that question?

Mr. HUMPHREY. I feel that my amendment is a good amendment.

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

Mr. HUMPHREY. I yield.

Mr. SCOTT. I wish to make the point that the Senator has already made, that in the depressed areas there are special needs. The people in those areas, through "Operation Bootstraps," have expended about as much money as they can to bring in new job-making industries.

They are in a category of special need. While I realize that in my Commonwealth, Philadelphia and Pittsburgh might well get some minimal advantage, the areas which are suffering are the areas that would benefit, such as Scranton, Wilkes-Barre, Altoona, and Erie.

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

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

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY], for himself and the Senator from Pennsylvania [Mr. SCOTT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY], is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Arizona would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 43, nays 51, as follows:

[No. 67]

YEAS—43

Bartlett	Humphrey	Moss
Burdick	Jackson	Muskie
Byrd, W. Va.	Kefauver	Neuberger
Carroll	Kerr	Pastore
Church	Long, Mo.	Pell
Clark	Long, Hawaii	Randolph
Cooper	Magnuson	Scott
Dodd	Mansfield	Smith, Mass.
Douglas	McCarthy	Smith, Maine
Engle	McGee	Sparkman
Gruening	McNamara	Symington
Hart	Metcalf	Williams, N.J.
Hartke	Monroney	Yarborough
Hayden	Morse	
Hickey	Morton	

NAYS—51

Aiken	Eastland	McClellan
Allott	Ellender	Miller
Beall	Ervin	Mundt
Bennett	Fong	Prouty
Bible	Fulbright	Proxmire
Boggs	Gore	Robertson
Bush	Hickenlooper	Russell
Butler	Hill	Saltonstall
Byrd, Va.	Holland	Schoeppel
Cannon	Hruska	Smathers
Carlson	Javits	Stennis
Case, N.J.	Johnston	Talmadge
Case, S. Dak.	Jordan	Thurmond
Cotton	Keating	Wiley
Curtis	Kuchel	Williams, Del.
Dirksen	Lausche	Young, N. Dak.
Dworshak	Long, La.	Young, Ohio

NOT VOTING—6

Anderson	Bridges	Chavez
Blakley	Capehart	Goldwater

So the amendment offered by Mr. HUMPHREY, for himself and Mr. SCOTT, was rejected.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. LAUSCHE. Mr. President, I call up my amendment designated "6-7-61—B" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 45, beginning with the colon in line 8, it is proposed to strike out all through the word "prescribe" in line 21.

Mr. LAUSCHE. Mr. President, the bill contains a new subject of functioning accepted by the Government. It is the solution of what is called the commuter or urban transportation problem. The bill provides two approaches toward solving this problem of the communities. One is by way of loan; the other is by way of grant.

The bill would authorize $100 million to be loaned to communities for the purpose of acquiring facilities to solve commuter problems. With that phase of the bill I have no complaint.

The second phase, the treatment of the problem, is set forth on page 45 in the language which my amendment proposes to strike. The bill authorizes the expenditure of $50 million by way of grants. The following language appears on page 45 of the bill:

> *Provided*, That of such sum the Administrator may, without regard to other provisions of this title, contract to make grants aggregating not to exceed $50 million for mass transportation demonstration projects—

I cannot understand the types of demonstrations that are contemplated. What is to be done with the expenditure of $50 million to help solve the commuter transportation problems of the communities? The language continues:

> for mass transportation demonstration projects which he determines would contribute significantly to the development of data and information of general applicability on the reduction of urban transportation needs—

The need for urban transportation is growing more urgent every year. I do not believe that this language in any manner clearly sets forth, or even vaguely sets forth, what is contemplated by the proposed demonstration projects. That is the extent of my argument.

I favor the loan proposal; I do not think the grant proposal should be adopted, at least in the language which is in the bill.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from Alabama yield time to me?

Mr. SPARKMAN. Mr. President, I yield to the Senator from New Jersey as much time as he may need, not to exceed 30 minutes.

Mr. WILLIAMS of New Jersey. Mr. President, first I applaud the distinguished senior Senator from Ohio for his support of the vitally needed $100 million loan program. That amount of money would be available to proceed immediately to make mass transit facilities, which have fallen into a state of decay at a time when they are so urgently needed, better instruments to carry people out of traffic jams, to get them to work and home from work, without the extreme congestion, confusion, and waste which exist today in the metropolitan areas.

It seemed to me that the $50 million for demonstration was amply supported in the hearings which have been held on this item.

I suggest to the Senator that the mayor of Cleveland, Mayor Celebrezze, who applauded the work of the Senator in 1942, when the Senator was the mayor of Cleveland, in purchasing the rapid transit system of that city, and whose testimony appears at page 340 and subsequent pages of the hearings, spelled out the need for devising new ways of getting people to use mass transit facilities.

I also point out to my friend the Senator from Ohio the very compelling testimony of the mayor of Atlanta, Ga., when he described what was being done there

and some of the new ideas it was desired to try in the field of transportation.

Since the time when the Senator from Ohio was the mayor of Cleveland and when Cleveland was purchasing its transit system, 20 years ago, all forms of travel—both those by air and those by means of other media of transportation—have been improved monumentally. That has been done in considerable part with the aid of Federal funds; private companies, making use of Federal funds, have developed improved aircraft and have brought about much of the present-day efficiency of air travel.

But in that period, what has been done to improve ground rapid transit? The commuter rail cars used today are about the same as those which were used 20 years ago; and the same is true of the subways. We know we need to have new thinking applied to mass transportation. If that is not done, the $100 million will be used through the years only to continue the present inefficient systems.

Mr. SCOTT. Mr. President, will the Senator from New Jersey yield?

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator from New Jersey yield to the Senator from Pennsylvania?

Mr. WILLIAMS of New Jersey. I am happy to yield.

Mr. SCOTT. Mr. President, the distinguished Senator from New Jersey has well stated the seriousness of this problem, and I am in accord with what he has had to say.

NEED FOR IMPROVED MASS TRANSPORTATION IN PENNSYLVANIA

Mr. President, the other day the distinguished senior Senator from California [Mr. KUCHEL], the minority whip, described the increasingly acute problem of traffic congestion in California and the need to provide and maintain efficient public transit in that State.

I wish to join my colleague in saying that in my own State of Pennsylvania the problem is equally acute. For that reason I also want to extend my deep appreciation to the senior Senator from Indiana [Mr. CAPEHART] for his leadership in sponsoring the mass transportation provisions now incorporated in the housing bill.

This is an urgent problem in my State, as I know it is in many other States with large concentrations of urban development.

This is a problem that has long since spilled over local and even State boundaries. Even more important, the growing strangulation of our urban areas by automobile traffic and by rapidly declining and deteriorating public transportation services is leading to severe economic consequences.

For example, the Pennsylvania State Chamber of Commerce, with about 4,500 members from all parts of the State, and from all types of business, plus 225 local chambers and 80 trade associations, commented in a statement to the Senate Banking and Currency Committee supporting the principles of this legislation that:

> Many businesses are located in the downtown areas of cities, and are thus directly dependent on the continued efficiency of commuter transportation to bring their employees to work. Others, which may or may not require commuter service for their own employees, have a great financial stake in the future development of the cities themselves, a development which requires an economically sound transportation system. Nearly all businesses are concerned with the general level of rail freight rates. These rates have in the past been increased beyond the cost of service through the efforts of rail managements to recoup losses suffered on commuter service.

The State chamber went on to say that it believes that—

> Governmental problems should be handled by that level of government which is most closely concerned with the problem, and that it is unwise to request Federal help until it is certain that the local governments concerned have done what they can to solve the problem themselves. We are satisfied that the present proposal is in agreement with this principle, and that this is an appropriate field for Federal action. * * * In view of the very large expenditures now being made by the Federal Government to provide highway facilities for transporting persons to and through central cities, it may well be that the expenditures proposed in the bill will be the most economical procedure for the Federal Government in the long run.

I should like to amplify that last statement, because it is important to us all, whether or not our States contain large urban areas.

The point is simply that the cost of building enough urban highways, involving heavy condemnation costs, to handle the demand generated if our public transportation services were lost would be staggering. Already an increasing proportion of the total $41 billion highway program is being taken up by the need for urban highways. I believe it is estimated that ultimately about $20 billion of the total will go for that purpose.

This diversion of highway funds to compensate for the decline of public transportation means only that less money will be available for interstate and intercity highways. It will mean fewer miles of highway in our outlying suburban and rural areas, where automobiles and highways are the only mode of transportation available. It is plain bad economics to drain off almost all our highway funds for roads in high-density urban areas where it is feasible to provide adequate mass transportation services.

I therefore support the transit provisions now in the housing bill. We need this program in order to meet the transportation needs of our downtown areas. We need it in order to protect our highway investment, to insure its continued success. It is also important to emphasize that the entire renewal of our cities will depend on heavy private investment by business and commerce. But if these businesses and industries believe that their transportation needs cannot be met, they will be less inclined to invest very much in building and plant modernization.

As Mr. James Symes, president of the Pennsylvania Railroad, and one who has done much in the work of improving Philadelphia's transportation system, summed up in his testimony this year:

> The urban mass transportation bill should be passed * * * to give the public the best transportation at the least total cost. If this is not done, then the Federal Government will continue to waste money by destroying the central cores of our city, and will then spend billions to rehabilitate the damage and chaos it has created.

The proposed mass transportation provisions of S. 1922 will help our State and local governments make a start on the road to recovery. We have neglected this problem too long, and each year of delay will increase the total cost of preserving and providing adequate mass transit services.

I should also like to note that this is not a partisan issue. It is supported by many Democratic Senators. It is supported by many Republican Senators.

I conclude by endorsing the words of the very distinguished senior Senator from New Hampshire [Mr. BRIDGES], the chairman of the Republican policy committee, who has stated during the hearings this year:

> I trust that before this session of the Congress is concluded we shall be able to say that in the field of domestic problems one of the most aggravating and serious was that of mass transportation and that this Congress recognized it and passed legislation necessary to alleviate this important and critical problem.

Mr. JAVITS. Mr. President, will the Senator from New Jersey yield to me?

Mr. WILLIAMS of New Jersey. I yield.

Mr. JAVITS. I entirely support the statement the Senator from New Jersey has made. I have had the honor to be associated with him in the support of the proposed legislation.

The large cities in the State of New York have every reason to expect that their transit systems will be choked unless we deal effectively with this program. I hope very much for some effective development; and I believe that in that connection, Federal facilitation is necessary.

It is not often that Congress is able to take action to render effective aid to the large cities; far more often, the situation is reversed. For example, as in the case of depressed areas, urban renewal, slum clearance, and similar developments.

So I hope very much that the Senate will go along with this provision of the bill as it is now.

Mr. WILLIAMS of New Jersey. I thank the Senator from New York; and we very much appreciate his support over the years.

Mr. CASE of New Jersey. Mr. President, will my colleague yield to me?

Mr. WILLIAMS of New Jersey. I yield.

Mr. CASE of New Jersey. I thank my colleague for yielding to me. I am happy to support his opposition to the amendment offered by the Senator from Ohio to this part of the bill, which is a part of the entire bill which my colleague, the Senator from New Jersey, feels is most important, and which I am happy to support wholeheartedly.

As my colleague from New Jersey, the Senator from New York [Mr. JAVITS] and the Senator from Pennsylvania [Mr. SCOTT] have stated, it is essential that new modes of transportation be developed. One of the most crying needs of the urban centers in our Nation is the development of new ways to carry people within the cities and between the cities and the suburbs. Unless we find such means, all the work we do for urban renewal, housing, slum clearance, and all the rest, may go down the drain and be wasted. I believe this is very clear to anyone who has experienced actual work with these problems and who knows what is involved. Certainly it would be one of the great tragedies of this session if we were to eliminate from the bill this moderate amount for the development of new modes of transportation.

I hope very much that this well-intended but, I believe, most unwise, amendment of the Senator from Ohio will be resoundingly rejected.

Mr. WILLIAMS of New Jersey. Mr. President, I am very grateful to my colleague.

Mr. LAUSCHE. Mr. President, will the Senator from New Jersey yield briefly to me?

Mr. WILLIAMS of New Jersey. I yield.

Mr. LAUSCHE. Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. KEATING. Mr. President, like my distinguished colleague from New York [Mr. JAVITS], the Senator from New Jersey [Mr. CASE], the Senator from Pennsylvania [Mr. SCOTT], and other Senators, I am a cosponsor, with the distinguished Senator from New Jersey [Mr. WILLIAMS], of an independent bill to deal with this problem. I recognize that it can be argued with some force that this provision is not properly a part of a housing bill. But we have discussed this problem long enough. Today mass transportation in urban areas is in a critical state. This is true, not only of the great commuter train networks of New York, Philadelphia, Chicago, and other large metropolitan areas, but also of the ailing bus and trolley-car systems of much smaller communities.

At all levels of government, we have been giving generous support to the highways which now serve our cities. At the same time, mass transportation facilities, particularly those relating to rail transportation, have been permitted to languish. Today these facilities have reached a point where they cannot be saved by private means alone. We hope that in time they will again become self-supporting; but at the present time, public support is needed in order to restore their vitality.

The present cost of such a program is modest, as compared with the cost of providing means to carry all commuters by automobile, to say nothing of the great economic dislocation which would occur in the Nation if the mass transportation facilities were to perish completely.

I realize that money is not the entire answer to this problem. I believe, however, that it is extremely desirable that the Congress make provision for grants of a modest character in order to finance projects of traffic control, facility improvement, and planning.

So I hope the amendment of the Senator from Ohio will be rejected, and that the position taken by the distinguished Senator from New Jersey and his colleagues will be sustained.

Mr. WILLIAMS of New Jersey. I thank the Senator from New York.

Mr. CLARK. Mr. President, will the Senator from New Jersey yield to me?

Mr. WILLIAMS of New Jersey. I yield.

Mr. CLARK. As a cosponsor of the original Williams bill, I should like to commend my colleague the Senator from New Jersey [Mr. WILLIAMS] for the splendid fight he has made in support of mass transit legislation ever since he came to the Senate in 1959, and particularly for the fine leadership he displayed in the committee and the fine leadership he is now displaying on the floor of the Senate.

My own city of Philadelphia has been in the forefront in making efforts to show, by means of demonstrations, what can be done in dealing with the mass transit problem. I do not think another city in the country has put up as much of its own money for such demonstration projects.

I believe it would be tragic if the authorization of funds for demonstration projects were to be stricken from the bill.

I could speak for half an hour or longer in pointing out the kinds of demonstration projects which can be undertaken in the one city of Philadelphia, Pa.—demonstration projects which would make enormous contributions toward restoring mass transportation and transit to the point of taking off the streets the present great numbers of automobiles.

Mr. President, I hope very much that the amendment of the Senator from Ohio will be rejected.

Mr. WILLIAMS of New Jersey. Mr. President, I thank the Senator from Pennsylvania. The city of Philadelphia has demonstrated that people will return to the use of mass transportation when that mass transportation meets their needs.

The proposed demonstration projects are both feasible and practical, and this work has been done in Pennsylvania.

I am most grateful to the Senator from Pennsylvania for his support.

Mr. HOLLAND. Mr. President, will the Senator from New Jersey yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. HOLLAND. Will the Senator state, for the information of the Senate, whether the administration supported this provision of the bill?

Mr. WILLIAMS of New Jersey. We have, from the administration, statements that it supports the principle of the demonstration program.

Mr. HOLLAND. Does it support this provision of the bill?

Mr. WILLIAMS of New Jersey. Specifically as to the provision, as it went in, we had no report. But we have had indications that an agreement has been reached within the administration on the principle of grant funds for the purpose of demonstrations of new means of mass travel. So the answer to the Senator's question is "Yes."

Mr. HOLLAND. Next, will the Senator from New Jersey state for the information of the Senate, what was the division in the committee on the question of the inclusion of this item in the bill?

Mr. WILLIAMS of New Jersey. In the committee, the vote was 9 to 4.

The nine votes represented both sides of the aisle.

Mr. HOLLAND. Will the Senator advise the Senate whether or not there is any limitation as to how much of the money can be granted to any particular city? Is there any limitation?

Mr. WILLIAMS of New Jersey. There is no specific limitation, no. The idea here is that the money could be used to develop a few demonstrations of new ideas in mass travel. The mayor of Atlanta described, as appears in the record of the hearings, many new ideas in mass transportation which have not been demonstrated or tried. In theory they have looked good. Now we want to know whether they work. If they work, we shall save untold millions, if not billions, of dollars, over a period, by new policies and uses in mass transportation.

Mr. HOLLAND. If I understand this provision of the bill, it would establish a system under which the Administrator could grant up to $50 million, or contract to grant that much, irrevocably, without limitation as to how much he would grant in any city, and without a checkrein on him from any source whatsoever.

Mr. WILLIAMS of New Jersey. Well, only the checkrein of a reasonable man. He certainly is that. We want to get demonstrations of new means of mass transportation, the monorail, or the carveyor, or some of the other new methods that the mayor of Atlanta described. On the other hand, there are many ideas which would not be costly—for example, trying to get parking lots in the suburbs which would invite people in the sprawling areas to drive to the parking lots with their automobiles, and use mass transportation from those points. They would be further invited to use mass transportation by lowering fares and increasing service. In that way we shall try to work out problems involved in the multimillion traffic jams.

Mr. HOLLAND. I thank the Senator.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. DOUGLAS. I think the Senator from New Jersey is advancing a very

constructive idea. Is it not true that there are several possibilities in the offing, which, if they turn out to be successful, will introduce tremendous economies? Is not one of these the overhead monorail, to which the Senator has referred, which would permit mass transportation to travel appreciably above street levels at the same time automobiles and other vehicular traffic are moving beneath it? Is that not one possibility?

Mr. WILLIAMS of New Jersey. It certainly is. It makes all kinds of theoretical sense, but there is no private carrier that has the money to demonstrate it, and there is no city, beset with its problems, as all cities are, to provide the matching funds.

Mr. DOUGLAS. Is it not also true that in the literature on the subject references are made from time to time to the possibility of having cars move on cushions of air above streets and over rivers.

Mr. WILLIAMS of New Jersey. It is beyond the theoretical stage. It is being done now, mostly for military vehicles, but it works. If this proposal comes to pass, it will demonstrate how it can unlock many new solutions to the problem.

Mr. DOUGLAS. But is there any railroad or bus company which can afford to sink the money into such a demonstration?

Mr. WILLIAMS of New Jersey. I would say, without equivocation, there is not one company in this country, faced with declining revenues, that could.

Mr. DOUGLAS. There may be some failures, but are not the prospects very great that there will be real successes among some of these possibilities.

Mr. WILLIAMS of New Jersey. If we put our minds to the demonstration of new ideas, we generally solve the problems. Certainly we have in the air, I do not see any reason why we cannot on the ground, and that is where the problem is today.

Mr. DOUGLAS. I thank the Senator.

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

Mr. WILLIAMS of New Jersey. I am happy to yield.

Mr. MAGNUSON. I think everyone is in agreement that, in urban transportation, we are going to have to go back to mass transportation system, such as the monorail, or some other system. Otherwise, the roadways will never catch up with the demands of traffic.

Mr. WILLIAMS of New Jersey. And there will be one big parking lot and throughway.

Mr. MAGNUSON. There has been one railroad in the United States, the Chicago & Northwestern, that has done something about the problem, but the other railroads in the United States have not been able to. In Seattle we are trying the monorail, in a small segment. If we do not arrive at a solution of the transportation problem, we are going to be in trouble. The Senator from New Jersey and I participated in a long documentary on the problem. I happened to see a part of it. I was amazed at the Los Angeles situation. Some years ago they tore up their interurban transportation system. Now they wish they had it back. The cost of condemnation would cost hundreds of millions of dollars for the use of monorails. Subway systems are needed.

The problem of transportation in the United States is one that is getting worse and worse. As people continue to move into urban centers, it will become even worse.

There were some bills on this subject in our committee. I understand the reason why this particular provision is in the bill. It is logical that in any type of urban renewal or urban development, there must be coordination between the building of houses, highways, and a transportation system. Otherwise, urban development is not going to work.

I thing the purpose of the provision is good. I think it will be money well spent. I do not have any fear that the administration is going to spend $50 million in any one area. I think experiments will be had. If we do not do something about the problem, our country is going to be tied up in transportation knots, so that we will not be able to go anywhere.

I do not know what would happen in urban centers today if there were an emergency. I think we should make a move in the direction proposed. I am glad to see this provision as a part of the bill.

Mr. WILLIAMS of New Jersey. Nobody speaks with greater knowledge of transportation problems than does the Senator from Washington, who has had a long career in the U.S. Senate, and he expresses the viewpoint I share with much greater eloquence than I could.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. WILLIAMS of Jersey. I yield.

Mr. CASE of New Jersey. I asked the Senator to yield in order to express my appreciation to the chairman of the Committee on Commerce, not only for his support of this particular measure—and it is valuable and weighty support—but also for his generosity in not raising any question of jurisdiction, which I think would be most unfortunate.

I agree fully with the Senator from Washington that this proposal is appropriate in either committee, but it certainly is related to well organized urban planning and development, and that is the basic subject involved.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. LAUSCHE. The Senator from New Jersey mentioned the mayor of Cleveland. The mayor of Cleveland told me that he was vigorously opposed to grants, but in favor of loans to State and local governments.

I ask the Senator from New Jersey to point out to me in the hearings wherein the mayor of Cleveland said he supported gifts or grants to cities.

Mr. WILLIAMS of New Jersey. The mayor of Cleveland supported, with great eloquence, the demonstrations of new methods and new ideas in mass transportation to attract people away from the inefficiency of mass automobile travel and get them attracted to a mass transportation system, which is good in Cleveland, but which should be much better.

I did not address myself to the question of whether it should be grants or loans. The Senator favors demonstrating new ideas in mass transportation. I have heard him say so eloquently in 2 years before our committee.

Mr. LAUSCHE. From the record it is my understanding that he opposed grants and favored loans to municipalities, so that they could improve their transportation.

Mr. WILLIAMS of New Jersey. I know the Senator reads the record of hearings very closely. I believe the record will show that he supported the bill. At no point did he say he does not favor grants. I do not believe he said either that he does or does not favor them. He supported the proposed legislation.

Mr. LAUSCHE. May I ask the Senator another question?

Mr. WILLIAMS of New Jersey. Yes.

Mr. LAUSCHE. If a monorail is to be set up as a pilot test, is there any calculation as to what it would cost and where the monorail assignment would be made?

Mr. WILLIAMS of New Jersey. There have been various estimates. My memory does not serve me as it should, but I remember one great new development that was proposed for the city of Cleveland, which is not a demonstration but would come under the loan program, at a cost of $23 million for an extension to the airport or in southeast Cleveland.

So far as demonstrations are concerned, I think if the fringe parking areas were combined with improved service and lowered fares on the mass transportation system, it would be realistic to think in terms of $2 million. If a monorail or carveyor system, or some other new idea were developed, the cost might be a great deal more.

I believe the estimate for a new method of travel between Long Beach and Los Angeles, which is now totally at the mercy of automobiles, is in the neighborhood of $20 million to $30 million.

Mr. LAUSCHE. I am familiar with the Cleveland proposal to spend $23 million, but that proposal involves nothing more than an extension of rapid transit. All Cleveland needs to do is to borrow the money and do the work. I do not know of a single rapid transit system anywhere which does not have rural parking areas, so that people can park their automobiles, take the rapid transit system downtown, and, in the evening, return to their cars. I cannot see why demonstration tests are needed on that subject.

Mr. WILLIAMS of New Jersey. If the Senator would join me in the State of New Jersey, I should be happy to show him many areas which do not have such parking facilities.

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

Mr. WILLIAMS of New Jersey. I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. I commend the Senator from New Jersey for his defense of the provision in the bill. One of the great problems in America today is the time wasted going to and from work and the time wasted going to and from shopping. Americans spend many billions of dollars in research, from the standpoint of national security, and in space, from the standpoint of national pride. It seems to me incredible that in this country, with an income of nearly $1.4 billion a day, we cannot afford to spend $50 million to solve one of the greatest problems we face today; namely, the increased traffic problem in the large and middle-sized cities.

Mr. WILLIAMS of New Jersey. I am very grateful to the Senator from Missouri.

Mr. President, I am grateful for all the support which has been generated for this new legislative idea for a new national program. I am prepared to yield back the remainder of my time.

Mr. ALLOTT. Mr. President, I do not know who controls the time, but I should like to have 2 minutes to speak in favor of the amendment.

Mr. LAUSCHE. Mr. President, I yield 2 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, there have been some statements made on the floor which I cannot let pass without comment.

There has been talk about the monorail, as if it were something that could be developed through the use of these demonstration funds. May I say there has been a monorail system operating successfully in Germany for over 40 years.

Also suggested as a proper subject for demonstration and development are cars to travel on cushions of air. First let me say the use of the air cushion principle is nothing new in theory or practice. It is at least 5 years old as a practical demonstrated thing, particularly with reference to our military budget. And let us not delude ourselves that this development is not going to do away with the need for highways on which the cars will travel. These cars will travel 6 inches above the ground, so highway travel will not be greatly changed.

I cannot justify in my mind authorizing $50 million for these mass transportation demonstration grants.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield at that point?

Mr. ALLOTT. Let me finish my thought first.

As I understand the amendment it would strike the provision for these grants.

I shall support the amendment.

I now yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. This is not to be an additional appropriation. The authorization is to use $50 million of the funds for this purpose. There is not an additional $50 million to be provided.

Mr. ALLOTT. Then I say the authorization should be reduced by $50 million. To the extent needed this is a function which private industry can well take care of.

I should also like to add at this point that one of the more logical places in the world, by future need, for setting up a prototype of a monorail is from the Dulles International Airport to Washington, D.C. But even though we might appropriate $500 million we will never see a monorail into the city of Washington, D.C. The sentiment is such to preclude it.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield at that point?

Mr. ALLOTT. I yield.

Mr. WILLIAMS of New Jersey. Are there not other ways of mass transit and efficient mass transit travel which might be applicable to problems of the city of Washington, D.C.?

Mr. ALLOTT. There are other methods, but they have been tried and used. Has the Senator a new method which has not been tried?

Mr. WILLIAMS of New Jersey. The whole point of this part of the bill is that the answer is "No." We have not tried, in our new suburban areas, all methods which can be used.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. SYMINGTON. I beg the Senator's pardon. I believe the senior Senator from Colorado has the floor.

Mr. ALLOTT. I was yielded 2 minutes. If I have any time remaining I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. I thank the Senator.

The purpose of the provision in the bill is to obtain new ideas, just as the purpose of any grant to investigate a problem is to study the problem to come up with new ideas to solve a serious problem which is growing critical in this country, is it not?

Mr. WILLIAMS of New Jersey. Absolutely.

Mr. ALLOTT. I point out to the Senator from New Jersey that I believe the study made with reference to the transportation system in the District of Columbia alone surpassed a half million dollars.

They have not come up with the solution to the problem.

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

This subject first came before the Committee on Commerce when a group of railroadmen appeared before the committee with a group of mayors. That group of railroad men desired a subsidy for the railroads. I think they found there was an adverse attitude in the committee toward the proposal to subsidize the railroads.

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

Mr. LAUSCHE. I will yield to the Senator in a moment.

The subject then seemed to vanish from the Committee on Commerce. It appears in the housing bill, with urban redevelopment.

As I said, I favor the $100-million-loan provision to municipalities, to buy rights-of-way and to extend rapid transit. I submit, however, that on the very argument made by the Senator from New Jersey we can expect nothing from demonstrations. The Senator stated that it was desired to experiment with rapid transit into rural areas, to determine whether it is advisable to develop parking areas.

We have 50 such areas in Cleveland. No Federal money is needed to make the experiment.

On the subject of granting money for a monorail, how much would it cost? Where would the money go? Beyond that question, I wonder what type of demonstrations would be had. I cannot understand them.

To repeat, the railroads wanted subsidies. It was indicated to them that Congress could not enter that field. From a proposal for subsidies comes the insertion of the program in the housing program.

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

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Ohio [Mr. LAUSCHE]. All time is yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Montana [Mr. METCALF], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Arizona would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Montana [Mr. METCALF] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from Montana would vote "nay" and the Senator from Vermont would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Vermont [Mr. AIKEN], the Senator from Colorado [Mr. ALLOTT], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The Senator from Vermont [Mr. AIKEN] is paired with the Senator from Montana [Mr. METCALF]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from Montana would vote "nay."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Oregon would vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Arizona would vote "yea" and the Senator from New Mexico would vote "nay."

The result was announced—yeas 44, nays 46, as follows:

[No. 68]

YEAS—44

Bennett	Fong	Morton
Boggs	Fulbright	Mundt
Burdick	Gore	Prouty
Butler	Gruening	Proxmire
Byrd, Va.	Hickenlooper	Robertson
Capehart	Holland	Russell
Carlson	Hruska	Schoeppel
Case, S. Dak.	Johnston	Smathers
Cotton	Jordan	Stennis
Curtis	Kuchel	Talmadge
Dirksen	Lausche	Thurmond
Dworshak	Long, Hawaii	Wiley
Eastland	McClellan	Williams, Del.
Ellender	Miller	Young, N. Dak.
Ervin	Monroney	

NAYS—46

Bartlett	Hayden	Morse
Beall	Hickey	Moss
Bible	Hill	Muskie
Bush	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Javits	Randolph
Carroll	Keating	Scott
Case, N.J.	Kefauver	Smith, Mass.
Church	Kerr	Smith, Maine
Clark	Long, La.	Sparkman
Cooper	Long, Mo.	Symington
Dodd	Magnuson	Williams, N.J.
Douglas	Mansfield	Yarborough
Engle	McCarthy	Young, Ohio
Hart	McGee	
Hartke	McNamara	

NOT VOTING—10

Aiken	Bridges	Neuberger
Allott	Chavez	Saltonstall
Anderson	Goldwater	
Blakley	Metcalf	

So Mr. LAUSCHE's amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Will the Chair state the motion which is now before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota [Mr. HUMPHREY] to lay on the table the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider the vote by which the amendment offered by the Senator from Ohio [Mr. LAUSCHE] was rejected. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. METCALF], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Louisiana [Mr. LONG] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG], and the Senator from Arizona [Mr. HAYDEN] would each vote "yea."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Arizona would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from New Hampshire would vote "nay."

On this vote, the Senator from Montana [Mr. METCALF] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Vermont would "nay."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from Colorado would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Vermont [Mr. AIKEN], the Senator from Colorado [Mr. ALLOTT], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The Senator from Vermont [Mr. AIKEN] is paired with the Senator from Montana [Mr. METCALF]. If present and voting, the Senator from Vermont would vote "nay," and the Senator from Montana would vote "yea."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Oregon would vote "yea."

On this vote the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 47, nays 41, as follows:

[No. 69]

YEAS—47

Bartlett	Hartke	Morse
Bible	Hickey	Moss
Burdick	Hill	Muskie
Bush	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Javits	Randolph
Carroll	Keating	Scott
Case, N.J.	Kefauver	Smathers
Church	Kerr	Smith, Mass.
Clark	Long, Mo.	Smith, Maine
Cooper	Magnuson	Sparkman
Dodd	Mansfield	Symington
Douglas	McCarthy	Williams, N.J.
Engle	McGee	Yarborough
Gore	McNamara	Young, Ohio
Hart	Monroney	

NAYS—41

Beall	Ervin	Morton
Bennett	Fong	Mundt
Boggs	Fulbright	Prouty
Butler	Gruening	Proxmire
Byrd, Va.	Hickenlooper	Robertson
Capehart	Holland	Russell
Carlson	Hruska	Schoeppel
Case, S. Dak.	Johnston	Stennis
Cotton	Jordan	Talmadge
Curtis	Kuchel	Thurmond
Dirksen	Lausche	Wiley
Dworshak	Long, Hawaii	Williams, Del.
Eastland	McClellan	Young, N. Dak.
Ellender	Miller	

NOT VOTING—12

Aiken	Bridges	Long, La.
Allott	Chavez	Metcalf
Anderson	Goldwater	Neuberger
Blakley	Hayden	Saltonstall

So Mr. HUMPHREY's motion to lay on the table Mr. DIRKSEN's motion to reconsider was agreed to.

Mr. JAVITS. Mr. President, I call up my amendment designated "5-23-61—A" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 87 following line 8, it is proposed to insert the following:

(3) Subsections (a) and (b) of such section 1811 are amended to read as follows:

"(a) Whenever the Administrator finds that private capital is not generally available in any area for the financing of loans guaranteed under section 1810 of this title, he shall designate such area as a 'housing credit shortage area', and shall make, or enter into commitments to make, to any World War II or Korean conflict veteran eligible under this title, a loan for any or all of the purposes listed in section 1810(a) in such area.

"(b) In designating any area as a 'housing credit shortage area' under this section, the Administrator shall give primary emphasis to providing loans to veterans living in areas in which participation in the guaranteed loan program by veterans has been disproportionately low."

(4) Paragraph (4) of subsection (i) of such section 1811 is amended by inserting immediately after "constructed" the following: "in rural areas or in small cities or towns".

Mr. JAVITS. Mr. President, I believe the amendment can be disposed of in a

fairly short time. The distinguished Senator from Illinois [Mr. DOUGLAS] and I are the sponsors of the amendment. Both of us are members of the Committee on Banking and Currency. We have no disposition to seek a yea-and-nay vote, but we believe that a division will suffice. That will save the time of the Senate. I make this explanation to the distinguished Senator from South Dakota [Mr. CASE], because I do not want him to feel that I was trying to preempt the floor ahead of him. I believe his amendment will take a little more time than will this amendment.

Mr. President, we are trying to change the definition which relates to the areas eligible for direct loans to veterans for mortgage purposes—to change it from the limitation now imposed, which restricts it to any rural area or small city or town. We wish to make it applicable to any area as to which the Administrator finds that private capital is not generally available.

The difference is that heretofore we have confined the direct loan program for veterans to the rural areas or the small cities and towns; and we have not extended it to any area in which there is truly a housing credit shortage. The reason for that was that this type of mortgage credit for Veterans' Administration loans was formerly available in metropolitan areas. But that reason has since disappeared; this type of credit is no longer available in many such areas. Hence, there is no longer a reason for such discrimination against such metropolitan areas. So the matter is just that simple.

I happen to have received from New York, from veterans there, a letter and a telegram giving evidence, in a personal way, of inability to find mortgage money for VA loans. I ask unanimous consent that they be printed in the RECORD.

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

JACKSON HEIGHTS, N.Y., *May 23, 1961.*

Senator JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.:

I wish to bring to your attention the deliberate denial of a primary veterans benefit. At present, I am attempting to negotiate a GI mortgage loan for purchase of a home. Most banks handling mortgages give outright refusal to handle any but a conventional 6-percent loan. A few will give the GI loan for a bonus. One (Dime Savings) will do so on consideration of a 6-percent cash bonus. This bonus is payable to the bank on receipt of the mortgage. It seems a shame that institutions which have profited by our wars have lost any sense of responsibility to the veteran.

Dr. WILLIAM SHPUNTOFF.

FLUSHING, N.Y., *May 17, 1961.*

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: I intend to purchase a one-family house, for my own use, within the near future. In anticipation of this, I made inquiries from banks in my immediate area whether they would issue a GI mortgage. Their replies (Jamaica Savings Bank, Bankers Federal Savings, Bayside Savings & Loan) were unqualified noes.

I inquired from the local VA office about the possibility of a direct loan. They sent me VA Pamphlet 26-4 in which sections 66 and 67 (p. 26) were underscored. These sections state:

"The Veterans' Administration makes direct loans to veterans who are satisfactory credit risks in housing credit shortage areas designated by the Administrator.

"Those areas are generally rural areas and small cities and towns not near the metropolitan or commuting areas of large cities, and where GI loans from private institutions have not been and are not now available to the veterans available."

Since a GI loan from a private institution is not now available in this area, I should like to know why I am not qualified to apply for a direct loan when I need it. I feel that conditions are such, in this area, that I meet the above-quoted qualifications.

Several real estate agents have advised me that there are a few rare lending institutions which will occasionally issue a GI mortgage. For this "privilege" the mortgagee must be willing to pay "points"—apparently a form of commission or gratuity. Yet, on page 10 of the booklet cited, it states very precisely: "No commission or brokerage fee may be charged to a veteran for securing a GI loan."

In view of the above facts, I should like to know why I may not qualify for a direct GI loan. Or, is there any agency which can put me in contact with a reputable lending or banking firm which issues a GI mortgage?

I shall appreciate your attention and interest.

Yours truly,

PAUL S. ABRAMS.

Mr. JAVITS. Mr. President, in addition, a table of home loans guaranteed by the Veterans' Administration shows the sensational diminution of the veterans home loans which have been placed in very large cities. For instance, in three New York cities, the drop has been as follows: In Buffalo, 90 percent; in other words, from the time when the program commenced until the present time, the veterans home loan ratio there has dropped 90 percent. In New York City, the drop has been 70 percent—that much drop in the largest financial center in the world. In Rochester, N.Y., the drop has been 80 percent.

In short, this type of mortgage money has tended to disappear from the large metropolitan areas, as it did some time ago from the small cities, towns, and rural areas.

Neither the Senator from Illinois [Mr. DOUGLAS] nor I can see why this discrimination should continue and why the veterans in large metropolitan areas should not have the same opportunities, in view of the fact that they now face the same situation as that faced by veterans in the rural areas and in the smaller cities and towns.

One objection which has been raised to our approach has been that it might result in applying the direct loan idea to an entire metropolitan area. But we do not believe that the language we have submitted is in any way susceptible of that interpretation. If there is any question about it, I state, and the Senator from Illinois [Mr. DOUGLAS] will state, as the proponents of the amendment, that we do not intend this amendment to mean that the Administrator will not have complete power to designate an area or any part of an area a housing credit shortage area within the terms of the law.

As we all know, there are in the large metropolitan areas enormous numbers of veterans—far more than in the rural areas or the small cities and towns.

Yet they are really disfranchised, in terms of being able to obtain veterans home loans. Therefore, we believe that in all fairness the time has come to put all these veterans on the same level, in view of the fact that they face the same conditions.

Finally, I point out that in the bill we are making a very extensive provision for precisely this type of loan, and we provide for phasing out the program over a long period of years; and we provide $1,200 million for making such loans.

This is an appropriate time to establish equal opportunity for all veterans, regardless of where they may be located, particularly, in view of the fact that they face the same conditions, and also in view of the fact that the Administrator would have complete power to designate any area or any part of an area a housing credit shortage area.

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

Mr. JAVITS. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, we are trying to remove one of the many discriminations against city dwellers which have, either consciously or unconsciously, been injected into the laws of our country.

The present provisions in regard to direct veterans loans are—as the Senator from New York has stated—to the effect that they shall be made available to veterans in rural areas and small towns. But the veterans in the large cities fought for the defense of our country just as truly as did other veterans. It is a great error to say that veterans in the large cities have ample credit available to them, but that veterans in the small cities do not. Many veterans, particularly those of Negro and southern European ancestry, have real difficulty in obtaining credit for the construction and acquisition of homes. We simply wish to abolish the second-class citizenship, which has been fastened upon the city veterans.

Mr. President, I hope very much the Senator from Alabama [Mr. SPARKMAN] will accept this amendment. We have been fighting side by side, all afternoon, on these measures; and I hope very much that he will help us to remove this discrimination from the laws of the land.

Mr. JAVITS. Mr. President, in conclusion I should like to point out that the provision we are now trying to have included in the bill is already incorporated in a bill passed by the House of Representatives; it is in House bill 5723, which the House passed in April. The bill is entitled "A bill to provide home loans for veterans in housing credit shortage areas." The House of Representatives has already passed that bill, and in that way has done precisely what we propose to do by means of this amendment. Therefore, there should be no problem as regards the views of the other body.

I now read from the report of the House Veterans' Affairs Committee on that measure, which already has been passed by the House:

For veterans living in our semiurban areas, because veterans' home loans in our cities are almost nonexistent today.

The House committee found that as a fact; and that is the basis for the presentation made here by the Senator from Illinois and myself.

Mr. HUMPHREY. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. HUMPHREY. I wish the RECORD to be clear. Do I correctly understand that a veteran living in the city of Minneapolis, Minn., would not be eligible to receive a direct loan of this sort, but that a veteran living in Waverly, Minn., 40 miles west—where I have my home—would be available to receive such a loan?

Mr. JAVITS. That is entirely likely, although I cannot speak with authority. But certainly Minneapolis is excluded, as are New York and Chicago.

Mr. HUMPHREY. Why?

Mr. JAVITS. Because the Congress wrote such a provision into the law. Some time ago, when no such problems existed in the large metropolitan areas the Congress confined that law to the rural areas and the small cities and towns.

Now the other body has taken the lead in regard to eliminating this discrimination; and inasmuch as in the pending bill we are authorizing the appropriation of funds for making direct loans, it is a proper bill by which to eliminate this discrimination. Inasmuch as the Senate does not have a Veterans' Affairs Committee, we try, when we can, to weave relief for veterans into the substantive legislation in which it belongs.

Thus, in connection with the pending bill, in which we authorize appropriations of $1,200 million more for direct veterans loans—for precisely this program—therefore, at the very least, we should remove from the law this discriminatory feature, which today exists in the law.

Mr. HUMPHREY. Mr. President, I do not like to have the Congress legislate on the basis of making distinctions between the large cities and the rural areas. Instead, I like to have national legislation enacted on the basis of dealing equitably with all Americans and on the basis of helping all Americans, wherever they may live. I feel that any veteran or any other American citizen who wishes to have a home should have available to him—wherever he may live—funds for that purpose, and there should be no discriminatory provisions.

In Minnesota, approximately 50 percent of the population lives within 50 miles of the major city of the State.

I gather that, under existing law, a substantial number of these people would be denied an opportunity for direct-loan participation.

I do not know. I want to listen to the arguments on the question. It has been indicated to me that this has been the law for some time. I wonder whether or not there in any evidence that it has worked a hardship. Has there been a denial of loans to veterans' families which has worked a hardship on them because of the existence of the law which allows such discrimination?

Mr. JAVITS. There is a hardship. I have in mind at this particular moment two cases, which are precise, but the House Veterans' Affairs Committee has looked into the question. Now the big hardship is on the metropolitan area people, as it has been on residents of rural areas or small towns. There is a big backlog and there are waiting lists of veterans in small towns as well as in cities. They are the ones we are trying to help by authorizing a rather large sum for direct loans. That is all the more reason why we should not perpetuate a discrimination when, by virtue of circumstances, the basis upon which we originally discriminated, which was justified at the time, has disappeared. Now there is a straight unfair discrimination.

I reserve the remainder of my time.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. JAVITS. I yield for a question.

Mr. BUSH. I notice the administration opposition to the amendment is based on the following ground:

The amendment would expand materially the number of eligible areas. A major proportion of veterans who are entitled to a guaranteed home loan would become eligible for a direct loan whenever there is a temporary general shortage of residential mortgage funds or when the maximum interest rate for guaranteed home loans is below the market. This would result in a greatly broadened scope of the direct loan program and in extreme fluctuations in the program.

That is the administration's opposition to the amendment.

Mr. JAVITS. I think the administration has missed one point, and that is that it could apply the rule of selectivity in determining whether a part, rather than the whole, of a metropolitan area was in a housing credit shortage area. But even if we grant the administration's whole position it does not attempt to begin to justify the discrimination. In other words, is the discrimination removed by the fact that the administration says many people would be affected? It seems to me it only emphasizes the fact that we are discriminating against many people; that we are being unfair, not to a few veterans, but to hundreds of thousands of veterans.

This is the point the Senator from Illinois [Mr. DOUGLAS] and I are arguing. This is something for which veterans stand in line. Why should city people be excluded when the only basis has been that they could take care of themselves, and that is no longer true? If there is to be a veterans' home loan program, and if there is to be a direct loan program, by what law of the Medes and the Persians is it to be applied only to veterans who live in small towns?

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

Mr. JAVITS. I yield.

Mr. CLARK. I think the Senator from New York is quite correct in the position he takes. I shall support the amendment.

I ask the Senator if the one justification for discriminating against veterans living in cities heretofore has not been that it is alleged that there is adequate credit there, and therefore this program is not needed.

Mr. JAVITS. Precisely; and that is no longer true. The Veterans' Affairs Committee in the other body has found it to be a fact.

Mr. CLARK. If the program is applied to all veterans, regardless of where they live, there are safeguards, by reason of existing law, so that money would not be flowing into areas where there is easy credit. Is that correct?

Mr. JAVITS. That is correct. The housing credit shortage definition remains in the bill unaffected by the amendment.

Mr. CLARK. I shall support the amendment.

Mr. JAVITS. I reserve the remainder of my time.

Mr. CAPEHART. Mr. President, in the first place, I think certain Senators speak from the wrong premise. Veterans' Administration loans are guaranteed 100 percent by the Veterans' Administration, and the only reason why Congress ever permitted direct loans to veterans by the Federal Government in small communities and small towns was that banks and other lending institutions did not have the money.

Can anyone conceive of making direct loans in New York City, where there are several banks worth many billions of dollars, and life insurance companies by the dozens that are perfectly willing to make loans to veterans—loans that are guaranteed 100 percent by the Federal Government?

The only reason why Congress ever permitted direct loans by the Federal Government was that in many instances banks in rural, scattered areas did not have the money. The reason why the big banks and the big insurance companies and the pension funds in the big cities did not make loans to them was that they were too far away to service them or to appraise the property in order to make the loans. Under those circumstances, Congress permitted the Federal Government to make some direct loans, and rightly so.

But now if the Federal Government is to make direct loans in New York City, Chicago, and other big cities, where most of the money of the United States is, where loans are guaranteed by the Federal Government, we might as well turn the Treasury of the United States upside down and say, "Gentlemen, in New York, Chicago, and other big cities, take our money."

Why do Senators want to do that? This housing bill is becoming a catchall bill. It is becoming the sort of bill in which all sorts of cats and dogs are placed. We ought not to do it. The housing bill, as it was started years ago, has proved to be a successful institution. Now we are putting all kinds of cats and dogs into it. We are weakening it. We are making it a place in which to dump all kinds of individual schemes; and we ought not to do it.

If banks, insurance companies, and other lending institutions in New York

City, Chicago, and other big cities are unwilling to make loans to veterans which are guaranteed 100 percent by the U.S. Government, there is something wrong with them. I am not about to be in favor of seeing the Federal Government—meaning the Treasury of the United States—make such direct loans.

I believe the banks, insurance companies, and pension funds in New York will make such loans if they are given the opportunity to do so. If they do not make such loans, which are guaranteed by the Veterans' Administration—which is the Federal Government—there must be something wrong with the security.

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

Mr. CAPEHART. I yield.

Mr. HOLLAND. Is it not true that another strong reason why direct loans to veterans were permitted in the country areas was the absence of utility facilities, which are required as a condition for approval of the ordinary FHA loan?

Mr. CAPEHART. Yes.

Mr. HOLLAND. Mr. President, I do not think the Senator answered my question. I ask if it were not true that one of the reasons why the Congress was asked to approve, and did approve, direct veterans' loans in the rural areas, was that there was an absence in those areas of utility services which were required by the FHA as one of the conditions for the making of ordinary loans?

Mr. CAPEHART. The Senator is 100 percent correct. That is what I said a moment ago. Those rural communities were so far away from the banks, from the insurance companies, from the pension funds, and from other big lending institutions which had the money available, that they could not be serviced, the property could not be appraised, and the loans could not be handled. The lending institutions in the local towns did not have money to loan. The Senator is 100 percent correct.

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

Mr. CAPEHART. I yield to the able Senator.

Mr. CURTIS. I agree with the Senator. My recollection of the history of direct loans in rural areas is that the legislation also dealt with the problem of the veteran who was living in a small town or village, or perhaps even a small county seat. The bank may have had ample money, but there were not sufficient loans to make it worth while to establish a system to provide FHA loans.

Mr. CAPEHART. That might have been the situation. The State banks are governed by State law, and the Federal banks are governed by Federal law, but the banks can loan only a certain amount of assets to any individual. The banks receive requests for more loans than the law will permit them to make.

Mr. CURTIS. There are many small communities in which there are no insured loans because there is not sufficient demand for anyone to provide them.

Mr. CAPEHART. The Senator is correct.

Mr. CURTIS. So this program was the only opportunity for the veterans to obtain loans.

Mr. CAPEHART. The Senator is correct.

Mr. CURTIS. It was that problem with which we sought to deal.

Mr. CAPEHART. The Senator is correct. I appreciate the Senator's bringing that out so explicitly.

Mr. SPARKMAN. Mr. President, I have enjoyed the discussion. I dislike very much to oppose the amendment offered by my friend from New York and my friend from Illinois.

Mr. President, I sponsored the original legislation which set up the direct loans. I have narrated this at different times in the Senate, but I think it would be interesting for me to say again, particularly in view of the statements which have been made, that the suggestion came to me from a banker in the small town of Tuscumbia, Ala. The banker wrote me a letter one day in which he said:

> We have a bank, and we have tried to render service to the community. We have tried to take care of the returning servicemen, but our capitalization is so small that we can take only a few mortgages before our portfolios are full. We are removed from the money market, so we do not have access to it.

He also said:

> I feel that, in the case of veterans, every veteran ought to have an equal opportunity. Therefore, the Government ought to make arrangements to lend money directly to those who are not able to get money under the guarantee program.

That letter gave me a suggestion. I had proposed legislation drawn up. I introduced the bill. It was enacted into law. That has been the law since 1950. Insofar as the criteria are concerned, they have been unchanged. The criteria were simple—that the loans should go to credit-worthy veterans, living in rural or semirural areas in which credit was not otherwise available.

The Administrator of Veterans' Affairs identifies the area. Generally, in the metropolitan areas, where one expects financial institutions to exist and where such institutions do exist, the area is ruled out. I happen to live in a relatively small community, yet my county is not eligible for veterans' direct loans because it is large enough to have financial institutions, or at least financial connections, through Birmingham, Nashville, and other cities, for the money to be available. I have never heard any great complaint about this arrangement not being sufficient.

I know that there have been times in metropolitan areas when there may have been a scarcity of credit available for veterans' loans, but that was at a time when there was a differential between interest rates on veterans' loans and on FHA loans; and, therefore, the money went to the FHA loans. That differential no longer exists. That was at a time before the voluntary home mortgage credit program was developed by the insurance companies generally throughout the country, which pool resources for servicing remote areas.

When a veteran applies for a direct loan the Administrator does not automatically grant the loan. First the Administrator submits the application to the VHMCP. A great many of the applications are taken care of through pooling of the resources of the insurance companies and financial institutions.

This has been a good program. I was about to say that this had not been a large program, but in excess of a billion dollars has been loaned, and it has been a highly successful program. I do not believe we ought to change the jurisdiction or the procedure. I do not believe the metropolitan areas will suffer, since the interest rates to FHA and VA now are the same.

While I dislike very much to oppose my friends, who certainly are good friends of housing, I believe the amendment ought not to be adopted.

Mr. JAVITS. Mr. President, I yield 5 minutes to my colleague from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I thank the Senator from New York.

The pain of the Senator from Alabama in opposing our suggestion is as nothing compared to the acute pain which we feel in opposing him.

Nevertheless, Mr. President, I point out the fact that various rationalizations have been offered for the discrimination. It was said that originally the direct loan program was intended for communities which had no banks and no savings and loan institutions. As numerous Senators have pointed out, this is not so. Direct veterans' loans are made to veterans in communities which have banks and savings and loan institutions. The savings and loan system has now so spread over the country that there are almost no communities which are not within striking distance of a bank or a savings and loan institution.

So far as the argument that the loan to a veteran would be so great, as the Senator from Indiana said, that it would exceed the limit a bank could loan to any one person, I am sure that upon reflection the Senator from Indiana will not——

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

Mr. DOUGLAS. I yield.

Mr. CAPEHART. I did not make any such statement. I said that the sum total of loans which the bank might make in respect to resources would be beyond the law. I did not refer to the individual loan.

Mr. DOUGLAS. I am glad to have that point cleared up.

Mr. CAPEHART. Yes.

Mr. DOUGLAS. The country areas of the Nation tend to be saving areas. These areas have resources, and they send their surpluses of deposits, over the amounts which can be loaned, to the cities for reinvestment. These areas have resources which could meet the demands of rural and small town veterans.

The other assumption that any city veteran can go to the Chase National Bank in New York City and get a loan on a house is somewhat farfetched. The huge size of the big city banks frequently discourages application.

I invite attention to the fact that perhaps the group which is most deprived of opportunities is the group of the sons of immigrants and Negroes who served in the Armed Forces, who have returned to civil life, and who wish to establish homes, but who do not have financial institutions close at hand from which they can borrow. They cannot go to the huge downtown banks; and they need credit as badly as do the boys from the countryside.

If it is believed that there are ample credit facilities for veterans everywhere. I suggest that the whole system be abolished, though I do not favor such action. But if it is believed that there are not ample facilities, this provision should be extended to the cities as well as to the countryside. To do otherwise is rank discrimination.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

A number of misconceptions have been voiced. I make that statement in all charity. The idea has been expressed that the equal opportunity which is sought to be gained here is the opportunity to go to a bank. That is not the equal opportunity which is sought to be gained under the original proposed legislation. The equal opportunity sought was to obtain a mortgage, and if one could not obtain a mortgage, the object was to get a loan. The opportunity is not to go to a bank, whether one is rich, poor, or in between. The opportunity is to obtain a mortgage.

But veterans cannot get mortgages, and if we were to deny such opportunity to them because they live in a metropolitan area, we would discriminate against them. I believe that point is very important.

Certainly there are rich banks and insurance companies in all the big cities, but they are not lending on VA loans. Whether the distinguished Senator from Indiana approves of such action or whether I approve of it, we know they are not making such loans. Not only I, but all my friends in large cities, are hearing from veterans that veterans cannot obtain the amounts of money they need.

Finally, because I believe the point is critical, I ask why we propose to give veterans these advantages. Why do we give veterans VA loans? Why should we not give them direct loans, since they fought in our Armed Forces to preserve freedom? What kind of skin does the boy in Chicago, New York, Cincinnati, or Columbus have? Is it any different from the skin of the boy in a small town in Missouri? Is he less of a fighter or a veteran and thus less entitled to be rewarded by his country?

On what basis could we morally justify this action once we find that veterans cannot obtain the necessary mortgage money? It seems to me that basis is the reason for the amendment and the propriety of the amendment. We would try to help veterans because they served America. Many thousands more Americans who have served America live in the large metropolitan areas than live in the small towns or rural areas, and the trend is growing. Do we wish to say to such a man, "No, my friend. You live in the wrong place. You cannot be considered under the program."

I do not believe we do. The entire program is either good or bad, but the criterion should not be where the veteran lives, especially in view of the fact that the fundamental basis and the original design of the program have become invalidated by the passage of time and economic events. I very much hope that the Senate will support the amendment. As I said, it has already been agreed to in the other body.

Mr. President, I am prepared to yield back the remainder of my time, but only after I suggest the absence of a quorum, because I shall call for a division.

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

Mr. JAVITS. Mr. President, may we have a quorum call without the time being charged to either side?

Mr. MANSFIELD. Reserving the right to object, is all time yielded back?

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MORSE. Mr. President, I ask for the yeas and nays on the Javits amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. JAVITS]. All time has been yielded back, and the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from California [Mr. ENGLE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. METCALF], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Montana [Mr. METCALF] would each vote "nay."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from California would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from Colorado would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Vermont [Mr. AIKEN], the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

The Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Oregon would vote "yea."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Arizona would vote "nay."

If present and voting, the Senator from Vermont [Mr. AIKEN] and the Senator from New Hampshire [Mr. BRIDGES] would each vote "nay."

The result was announced—yeas 28, nays 59, as follows:

[No. 70]

YEAS—28

Bartlett	Humphrey	Pastore
Byrd, W. Va.	Jackson	Pell
Carroll	Javits	Proxmire
Case, N.J.	Keating	Randolph
Clark	Kefauver	Smith, Mass.
Cooper	Long, Mo.	Symington
Douglas	Long, La.	Williams, N.J.
Fong	Magnuson	Yarborough
Gore	McNamara	
Hart	Morse	

NAYS—59

Beall	Ervin	Monroney
Bennett	Fulbright	Moss
Bible	Gruening	Mundt
Boggs	Hartke	Muskie
Burdick	Hayden	Prouty
Bush	Hickenlooper	Robertson
Butler	Hickey	Russell
Byrd, Va.	Hill	Schoeppel
Cannon	Holland	Scott
Capehart	Hruska	Smathers
Carlson	Johnston	Smith, Maine
Case, S. Dak.	Jordan	Sparkman
Church	Kerr	Stennis
Cotton	Kuchel	Talmadge
Curtis	Lausche	Thurmond
Dirksen	Long, Hawaii	Wiley
Dodd	Mansfield	Williams, Del.
Dworshak	McClellan	Young, N. Dak.
Eastland	McGee	Young, Ohio
Ellender	Miller	

NOT VOTING—13

Aiken	Chavez	Morton
Allott	Engle	Neuberger
Anderson	Goldwater	Saltonstall
Blakley	McCarthy	
Bridges	Metcalf	

So Mr. JAVITS' amendment was rejected.

Mr. CASE of South Dakota. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning on page 77, line 16, it is proposed to strike out all of title VI, running through line 2 on page 83.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, I yield myself 5 minutes. I do not think it will be necessary to use all the time available.

Title VI proposes an open-space and urban development program. It is a new program, a $100 million program, which we can well do without at this particular time. It is a $100 million program in these words:

The administrator may contract to make grants under this title aggregating not to exceed $100 million.

Listen to the next sentence:

The faith of the United States is solemnly pledged to the payment of all such grants, and there are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments as well as to carry out all other purposes of this title.

The Committee on Appropriations will have no discretion because the faith of the United States is solemnly pledged to the payment of such grants as the Administrator may contract to make, up to $100 million. When? Within the first month after the bill becomes law, if he wishes to do so, over a 6-year spread, if he wishes to do so, and if that is his program. There is no provision that it shall be $10 million a year for 10 years, or anything of that sort. It is up to $100 million; and the faith of the United States is solemnly pledged to the payment of all such grants.

Mr. McCLELLAN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. McCLELLAN. Is there any limitation on the amount of the grant which can go to any single community or vicinity?

Mr. CASE of South Dakota. The limitation is discriminatory. The language reads:

The amount of any such grant shall not exceed 25 per centum of the total cost, as approved by the Administrator, of acquiring such interest: *Provided,* That this limitation may be increased to not to exceed thirty-five per centum in the case of a grant extended to a public body which (1) exercises responsibilities consistent with the purposes of this title for an urban area as a whole, or (2) exercises or participates in the exercise of such responsibilities for all or a substantial portion of an urban area pursuant to an interstate or other intergovernmental compact or agreement.

That is significant also because the Administrator is given entire discretion. If he believes a community is doing well, he can give it 35 percent. If he believes some other community is not doing well or not doing what he wishes it to do, that community can get only 25 percent. That is the only limitation, so far as the amount is concerned.

Mr. McCLELLAN. Is there limitation dollarwise?

Mr. CASE of South Dakota. There is no limitation dollarwise. If a project in one community amounted to $10 million, the amount still would be 25 percent, or up to 35 percent if the Administrator thought the community was doing a good job.

In the antipollution bill, a dollar limitation is established, not to exceed so many thousand dollars—$250,000 or $400,000, or up to 30 percent, whichever is smaller. But there is no limitation in this particular proposal.

What is the provision designed to do? It is designed to provide for purchase of open space, or to have the Government go into a space program. If Senators will read this title, they will find that discretion is placed in the Administrator. He—

is authorized to make grants to State and local public bodies acceptable to the Administrator as capable of carrying out the provisions of this title to help finance the acquisition of title 2, or other permanent interests in, such land.

In another place, we read:

The Administrator shall take such action as he deems appropriate to assure that local governing bodies are preserving a maximum of open-space land.

In another place, we read:

In the processing of applications for assistance under this title, the Administrator shall consider the extent to which the communities to be assisted are encouraging, through zoning regulations and otherwise, orderly residential and other community development and renewal and are encouraging the availability of an adequate supply of decent housing at reasonable cost.

In other words, the $100 million which the Administrator can use is a little extra sugar to induce a community to take part in the housing program under other parts of the bill.

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

Mr. CASE of South Dakota. I yield.

Mr. ROBERTSON. The chairman of the committee wishes to state that he opposed this provision before the committee. He was overidden, but he pointed out that this is a new scheme to give away $100 million of borrowed money, as if we did not have a deficit of $4 billion or more without having this amount added to it. The provision gives discretion to the Housing Administrator to establish parks, playgrounds, and other wide-open spaces with borrowed money, thus contributing that much more to inflation, and it proceeds to give money away in a new manner.

Mr. CASE of South Dakota. I commend the chairman of the committee for taking that position, because we have been told that there are some urgent space programs to which the country should give heed at this time. However, there is no urgency for establishing a $100 million grant program under the provisions of this section.

Mr. DIRKSEN. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. DIRKSEN. I say to the distinguished Senator from Virginia that this is a new dimension in space. It should have come from the Committee on Aeronautics and Space Sciences; instead, it has come from the Committee on Banking and Currency.

I think the definition is one of the most fascinating things I have ever seen. I say to the Senator from Virginia that one must be a genius to draft this kind of language, because this is what the bill provides:

The term "open-space land" means any undeveloped or predominantly undeveloped land, including agricultural land, in or adjoining an urban area, which has (A) economic and social value as a means of shaping the character, direction, and timing of community development.

The Administrator might go out and buy one of the orchards of the distinguished senior Senator from Virginia [Mr. BYRD].

Tell me what that fantastic language means. If there is any limit to it, I have never seen it.

(B) recreational value; (C) conservation value in protecting natural resources; or (D) historic, scenic, scientific, or esthetic value.

Under that language, if the space were close to a metropolitan area, the Administrator might buy Lookout Mountain, in Georgia, and include it in the $100 million. This is a beautiful deal.

Think of the historical monuments that might be created in Ohio. The Senator from Ohio [Mr. LAUSCHE] will remember a great character in his State by the name of Johnny Appleseed Chapman, who scattered apple seeds all over the Midwest.

If an open space is close enough to an urban area, some of that $100 million could be obtained, probably a 1,000 acres could be added to it, and the area would be historic, because Johnny Appleseed Chapman is a great historic character.

Or the project might be scientific, depending upon the kind of apple seeds. If they were not the kind of apple seeds which come from the orchards of the distinguished Senator from Winchester, Va., perhaps we would not give them that scientific accolade. But if they were, we would.

"Esthetic value"? That is a remarkable deal. I do not know what is meant by esthetic value; but one can get undeveloped land in an urban area, or land that is predominantly undeveloped, and if it is intended to add to the esthetic value, the sky is the limit.

I can think of the nicest projects under this proposal for permanent open space acquisitions. I am sorry I never thought of this before. This is one of the great new dimensions in space. The committee should have hired some scientific talent from the Atomic Energy Commission and the National Aeronautics and Space Administration to come before it and spell out for us in clear and felicitous detail how this new venture into space will be made. It is within the discretion of the Administrator, and it will cost only a cool $100 million.

Mr. McCLELLAN. The first year.

Mr. DIRKSEN. That is correct. Watch this program build up. I can think of many projects in my State which would cost a little money. I will have them all in the hopper, God willing that I live long enough, and I am sent back to the Senate. I will have every one of those projects introduced, because this juicy $100 million is too good to leave untouched.

This is a new proposal, as the distinguished Senator from South Dakota says. We have not encountered this kind of dish before. But there is no limit to the fecund imaginations one finds in the Nation's Capital. If we are going down this drain, I want to have a little fun while we go down, in view of the fact that we are looking squarely in the face of ascertained facts already. Not my figures, but the Budget Bureau figures, show that for 1962 the deficit now is calculated at $3,550 million.

What will it be after we have done all those things which are necessary and conducive to the survival and security of our country?

I sat with the President for an hour and a half the day he arrived at the White House. I rode with him in the helicopter. I heard him talk and express his concern. I share his concern. A great many things in the field of security and the survival of our freedom will be confronting this Congress before we are through; and all partisanship goes down the drain. I regard the President as a friend; and, as the minority leader, I am going to help him. I believe the best way I can help him is to do all I can to make a modest contribution to the security of the country and to the maintenance of the security and the vitality of the home front, the first line of our defense.

Mr. President, how careless can we be with the public purse? The amendment of the Senator from South Dakota should be supported unanimously by the Senate. I believe the amendment would retrieve and recoup a little confidence by the country in the Senate, and would engender in the minds of the people of the country a feeling that there remains in this body some feeling of fiscal responsibility.

Mr. President, Senators are going to be fortunate; I had planned to offer an amendment for this purpose and, in that connection, to figure out some gadgets, and to labor the question for several hours. But, instead, I shall throw my speech into the ash can.

Thus, Mr. President, I say that the pending amendment should be adopted by the unanimous vote of the Senate, because something more than the $100 million is involved. This part of the bill seems to me to be sheer carelessness with the fiscal budget.

I thank the Senator from South Dakota for yielding to me.

Mr. CASE of South Dakota. Mr. President, I thank the Senator from Illinois.

I yield myself 2 additional minutes, in order to conclude my remarks at this time.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 additional minutes.

Mr. CASE of South Dakota. Mr. President, we have spoken of this program as a $100 million program; but, actually, it is more than that. The $100 million will be a start; but, in addition, section 605 provides that—

> In order to carry out the purposes of this title the Administrator is authorized to carry out technical assistance to State and local bodies and to undertake such studies and publish such information, either directly or by contract, as he shall determine to be desirable.

Listen to this additional provision. It is in addition to the $100 million provision:

> There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such amounts as may be necessary to provide for such assistance, studies, and publication. Nothing contained in this section shall limit any authority of the Administrator under any other provision of law.

So we begin by providing that the Administrator shall have $100 million with which to make any grants which he may please to make; and, in addition, he can have a program of technical assistance to the States and local bodies; and, in that connection, the Congress agrees—and in that connection pledges the faith of the Nation—to make the necessary appropriations in order to carry that out.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota repeat what he read about what is in addition to the $100 million? From what page and what line did the Senator read?

Mr. CASE of South Dakota. From page 81, line 21, section 605—and this is in order to carry out these purposes:

> SEC. 605. In order to carry out the purposes of this title the Administrator is authorized to provide technical assistance to State and local public bodies and to undertake such studies and publish such information, either directly or by contract, as he shall determine to be desirable. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such amounts as may be necessary to provide for such assistance, studies, and publication. Nothing contained in this section shall limit any authority of the Administrator under any other provision of law.

That is in addition to the $100 million.

This afternoon, I read on the news ticker that before long there would come from the administration a proposal to raise the ceiling on the Federal debt to $300 billion—the highest point it has ever reached. Why do we get into that kind of predicament? Because we must provide for the national defense or for a space program.

But this open-space program does not have the urgency which would require us to authorize the Administrator to make grants up to $100 million, without any time limit or without any dollar limit, and then to pledge the faith of the United States in that connection.

Mr. ERVIN. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from South Dakota yield to the Senator from North Carolina?

Mr. CASE of South Dakota. I yield.

Mr. ERVIN. I ask the Senator from South Dakota whether he, like myself, is a member of the Senate Armed Services Committee?

Mr. CASE of South Dakota. Yes, I am.

Mr. ERVIN. I ask the Senator whether on occasions the Armed Services Committee has been concerned about the national defense and about such things as more appropriations for the building of B-70 bombers, and more appropriations for building up our ground forces for conventional warfare, and more appropriations for other programs; and in that connection have we been told that money is not available in order to do as much as many of us think we should do in the field of national defense?

Mr. CASE of South Dakota. Yes. We have been advised by the Secretary of Defense that we should defer or postpone certain decisions on critical items that could be used and are needed for necessary modernization; we have been told that such postponements or deferrals should be made because of the money-shortage situation.

Yet in this instance it is proposed that a $100 million program of the sort now advocated be undertaken.

Mr. ERVIN. Have we not also been told that we should go slower than we think proper in connection with the development of an antimissile missile program and other essential programs?

Mr. CASE of South Dakota. Yes; and also including the B-70 program and similar most important programs essential to the national defense.

Mr. ERVIN. Does the Senator from South Dakota think the wisest thing the Senate could do at this time would be to reject the pending amendment, and proceed to use the $100 million, if the Senate does reject this amendment, and the funds which would be required for the additional expenses proposed—in fact, the entire $290 million—for essential national defense purposes, rather than for the program proposed by means of the pending amendment?

Mr. CASE of South Dakota. Certainly.

Mr. DIRKSEN. However, Mr. President, my distinguished juridical friend is not forgetting the esthetic values involved in the amendment, is he?

Mr. CASE of South Dakota. Mr. President, I reserve the remainder of the time available to me.

Mr. WILLIAMS of New Jersey. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 5 minutes.

Mr. WILLIAMS of New Jersey. Mr. President, thus far I have greatly enjoyed the debate. But I am afraid that those who will read the RECORD might, when reading the RECORD at this point, be inclined to believe that this body is opposed to conservation of our most priceless resource—land. However, we know that is not true. For more than 100 years the Senate has been the leading advocate of conservation of land for all its purposes—for its water, for recreation, for the other conservation reasons, and also for esthetic reasons. We have a great wilderness program. We have majestic national parks—although, I regret to state, in most cases too far removed from probably 90 percent of our population, with the result that it is very difficult, if not impossible, for them to enjoy the esthetic values to be found in Yellowstone National Park, Glacier

National Park, Dinosaur National Monument, and similar park areas.

But the Senate is a conservation body.

This amendment involves a most important element of conservation, in my judgment; and I say that for the reason that the amendment is designed for the conservation of the open spaces in the metropolitan areas, the areas where most of our people live. At the present time, two-thirds of the people of the United States are residents of metropolitan areas; and the projected figures are staggering. For example, by the year 2000, so the best statisticians tell us, 107 million Americans—one-third of the population—will live in 10 metropolitan areas, and another 40 percent will live in 285 metropolitan areas; and in the year 2000, more than 85 percent of all Americans will live in metropolitan areas.

Senators frequently speak of the problems which will be confronted by our children and our grandchildren; and occasionally Senators speak of the problems which will be confronted by our great-grandchildren. Such thoughts often occur to us when we are in the process of authorizing or appropriating funds, and, sometimes, creating a debt; and we worry about the debt which will be hanging over their heads, around their necks, and on their shoulders—as we should worry. But, Mr. President, if we allow the suburban metropolitan areas to continue to be developed in the way they are now being developed—without any program for the reservation of open areas—our grandchildren and our great-grandchildren will think that we, indeed, gave them a heavy burden of unbroken metropolitan jungles.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. CARROLL. I am very sympathetic with his position. Can the Senator tell me what he means by "open space"?

Mr. WILLIAMS of New Jersey. The definition, while not understood by the minority leader, I believe speaks pretty much for itself, as we read it on page 82 of the bill:

> The term "open-space land" means any undeveloped or predominantly undeveloped land, including agricultural land, in or adjoining an urban area, which has (A) economic and social value as a means of shaping the character, direction, and timing of community development; (B) recreational value; (C) conservation value in protecting natural resources; or (D) historic, scenic, scientific, or esthetic value.

The only part which might not be understood on its face, I suggest to the Senator from Colorado, might be the words "shaping the character, direction, and timing of community development."

What we mean by that language is that if an open-space area in and around a metropolitan area is preserved, the remaining development and growth will be channeled in a more orderly manner. We know that these unbroken housing sprawls are uneconomic in many ways.

Mr. CARROLL. I was born in the city of Denver, and I represented that district at one time in the House of Representatives. In that area we have seen, within a decade, or at least within a generation, the sprawl coming from Denver and spilling over into adjoining counties.

What do we mean when we use the term "open space" or "open areas"? What is the purpose of it?

Mr. WILLIAMS of New Jersey. The purpose is to preserve open space in urban areas. I am sure the Senator is familiar with the sad hodgepodge of suburban sprawl that is taking a million acres of land, by means of the bulldozer, and putting on that land poorly planned—if planned at all—housing, commercial, and industrial developments.

Without conservation, flood and water pollution problems are severe, because we are not preserving open areas in vast areas of growth.

Mr. CARROLL. Would the able Senator from New Jersey say that when we talk about urban sprawl, it is related to housing; and when we talk about conservation, we are talking about land in its utilization for housing?

Mr. WILLIAMS of New Jersey. No; we are not talking about land in its utilization for housing. We are talking about open land.

Mr. HUMPHREY. Parks.

Mr. WILLIAMS of New Jersey. It is more than parks. It is water conservation, as well as recreation, and it can be used as a tool for the more orderly shaping of communities that are growing.

In the area of the country in which we all have the honor of working, there has been very intelligent preservation of open areas along streambeds. We are very grateful for it.

Mr. CARROLL. I am sincere in my desire to be helpful. When the Senator talks about open land, is it land in which housing will develop gradually?

Mr. WILLIAMS of New Jersey. The answer is "No." The land would be preserved as open land. Under the legislation, the Administrator could grant 25 percent of the cost of acquiring, either through outright purchase in fee, or easement, or however it would be done, land that is open, and dedicating it for the purpose of keeping it open.

Mr. CARROLL. May I have a specific example, whether it be in Minneapolis, Denver, or in New Jersey?

Mr. WILLIAMS of New Jersey. Rock Creek Park would be an example. It is an example of open space acquired and preserved as an open area for the multiple purposes of flood control, conservation, and recreation.

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

Mr. WILLIAMS of New Jersey. I yield myself 5 more minutes.

Mr. CARROLL. In my own area I have seen the spilling over of new houses from Denver into adjoining areas. With no provision for open spaces, the construction of houses has been permitted in areas where they should not have been constructed, because there was no planning.

Mr. WILLIAMS of New Jersey. The Senator has precisely hit the point.

Mr. CARROLL. Is there to be planning in connection with safe housing and conservation also? I presume there must be some relation to housing, which affects people.

Mr. WILLIAMS of New Jersey. I am glad the Senator has asked the question. On page 80 of the bill there appears the heading "Planning Requirements." It is keyed to comprehensive, orderly land use planning. It is not a hodgepodge granting of areas of open space here and there. It must be a part of a planned community.

Mr. CARROLL. I think of the great State of New Jersey, the great State of Pennsylvania, the great city of Philadelphia, and the great city of New York; and I think of great areas in the West, in North Dakota, South Dakota, and all through the Great Plains, where there may not be the same problems of providing open space. I think there is such a problem in Denver, to a minor degree. Why does the Senator think such a provision is important with relation to the great, populous areas of the Atlantic coast, or a State like Michigan? What is the importance?

Mr. WILLIAMS of New Jersey. It is difficult to express the degree of importance we attach to it in the highly populated areas in the Northeast. We know our areas will be blighted, and that we will be asking Congress for large sums of money unless we plan more orderly communities through one of the tools provided, namely, open space. But it is more than a big-city problem. I should like to read the last part of a resolution which came from the Kansas Academy of Science, located at Manhattan, Kans.:

> Whereas rapidly expanding urban areas in Kansas need assistance in preserving open space in and around vast areas: Therefore be it
>
> *Resolved,* That the academy supports the bill S. 858.

The bill S. 858 is title 6 in the housing bill before us. We had a communication from the State of Oregon. The State of California has an open space program that uses the same definition, including esthetic value. That is a part of the law of California. From coast to coast and all States in between there has been an interest in this legislation.

Mr. CARROLL. I thank the Senator.

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

Mr. WILLIAMS of New Jersey. I yield myself 1 more minute.

Mr. CARROLL. I heard the masterful presentation of the minority leader in his delightful sarcasm and ridicule. Does the Senator think this program encompasses any plan for Chicago, for example? Would the Chicago metropolitan area achieve some esthetic value from this program? What would be the nature of it? We need more specific information on it. How would the program function, and what would it do?

Mr. WILLIAMS of New Jersey. It would certainly be useful in the suburbs of the metropolitan area we call Chicago. I am sure that, in the fringes, where the bulldozers are moving in and taking over the farmland, and where the sprawl is, there would be the purchase and preservation of open areas. Chicago and the State of Illinois have been

most enlightened over the years in acquiring open areas for parks. I do not know this personally, but I understand one derives the most pleasant of esthetic feelings as one drives through the park areas of Chicago and Illinois.

Mr. CARROLL. I thank the Senator.

Mr. HUMPHREY. Mr. President, first I wish to compliment the Senator from New Jersey for telling us what title VI, "Open Space and Urban Development," is about. Anyone who has had anything to do with metropolitan living, anyone who has ever been a mayor of a city, knows that cities have difficult times raising revenues. The Federal Government has usurped most of the revenue sources of this country.

States and localities are without adequate revenue resources. This is particularly true of the cities. Most of the State legislatures are rural dominated. In my State there has not been a redistricting in the legislative body since 1912, due to constitutional prohibitions; yet the largest city in the State has a population of 550,000 people and has the same number of legislative representatives today that it had in 1912.

I have been the mayor of a city. Other Senators have been mayors of cities. I know what it cost us to buy open space for city development.

Incidentally, Theodore Wirth, one of the great park specialists of the world, was the head of the park service of the city of Minneapolis, Minn. Conrad L. Wirth, his son, is the head of the National Park Service of the U.S. Government.

This is a well planned city. If I may have the attention of the Senator from Colorado [Mr. CARROLL], I wish to say that around this city are a number of sprawling suburbs in which there has been far too little planning, exactly as has been the case near Denver. I visited the town called Thornton, named after the former Governor of the State of Colorado, when I was in Colorado.

Mr. CARROLL. I know the gentleman well.

Mr. HUMPHREY. I visited many hundreds of homes. I noticed there had been no planning permitted, and none took place. There were no public facilities or open spaces.

I say this most respectfully, because I met with the mayor of that community and with the city council, as I did in other parts of America.

What would this provision in the bill allow? I do not care about ridicule from someone. Some of the largest cities in this country do not need ridicule, but need attention. Senators would do well to occupy themselves with attention to those cities, because 91 percent of the people of America live in cities. Today the cities are filled with teeming multitudes, yet they have inadequate playgrounds and open spaces.

I will tell Senators what open spaces mean. They mean places like Central Park in New York City. How the real estate agents would like to get their hands on Central Park.

Open spaces mean places like Rock Creek Park, in Washington, D.C. They mean the Commons in Boston, Mass. That is what we mean when we say "open spaces."

If one has a little money for this purpose, one can save the taxpayers millions of dollars. We are all taxpayers. It is not only the Federal tax that we must pay. Some of the highest taxes in this country are the local taxes, and some of the most inequitable taxes are the property taxes.

When cities grow they must have parks and playgrounds. They must have a certain amount of conservation area, if for no other reason than to have space for people to walk around. One cannot stay inside all the time. Occasionally someone will walk out of his house. There must be some place into which the people can walk.

What happens in a city, after an urban development has taken place, is that 10 years later or 15 years later people say, "We must have some open space." Then some highly qualified citizen says, "We must get the biggest bulldozers we can, and the largest construction crews, and tear down 2 blocks of housing." Then the citizens pay many thousands of dollars in each block to tear down housing to obtain open spaces which could be purchased now for very modest sums of money.

The same thing has happened with respect to our highways. Only the other day some friends of mine were telling me the cost of the highway to the new Dulles Airport. The cost is fantastic. One could pave the highway with gold. I have never heard of such costs.

When one goes to some of the cities, one finds it costs $5 million a mile or $10 million a mile to put highways through the cities. Why? Because someone did not have enough commonsense, 20 years ago, to reserve space for a growing city.

As one grows a little older, he comes to think that the country will stop living and that the country will stop growing, that there will be no increase in population. I have news for people. There is a new crowd coming along, all the time, with the same old ideas, and the population grows.

It is the duty of the Senate to look a little ahead, not constantly to look behind. Open spaces are as vital as housing itself.

I commend the Senator from New Jersey. I do not ridicule him. I salute him for his vision. He looks like a man of vision. He is a man of vision. The committee had vision.

I say to those who stand in the way of this kind of planning, you are only putting untold burdens on the backs of the taxpayers of this country.

As surely as we are in this body there will be open spaces in cities, or the cities will die. Our cities are the greatest investments in America—the greatest investments in humanity, in goods, in mortgages, and in finance. All of those are in the cities.

What else will open spaces do? They will give property more value. Some of my good friends in this body live near Manor Country Club. That is nice open space. The property is more valuable because there is open space. Property is not as valuable when people live on each other's backs. The open space is important.

Before my good friend from Illinois starts again to tell us about the lack of open space, let me say to him, most respectfully, that open spaces in the city of Chicago are valuable. The city of Chicago taxed and taxed to build its fine boulevard along the lake front. Every city in America needs open spaces.

I compliment the Senator from New Jersey. I say to him that this is the kind of America we need.

Some people say, "Let us be practical. Let us have the old FHA program."

A report was presented to me by an economist of a farm organization, showing that the Congress has never done its duty with respect to rural housing. The worst housing in America is in the rural areas of America. We as Americans ought to be ashamed. Some of the rural housing in America makes Russian housing look good. It is bad housing. More than 50 percent of it is over 30 years old, and 90 percent is without indoor facilities. We ought to be ashamed of ourselves.

By the way, no one ever lost any money on housing.

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

Mr. HUMPHREY. Not yet.

More money has been made on housing than on anything else. If a person wishes to get rich, he should get into real estate. People do not go broke dealing in housing. The only direct venture by the Government in housing made the Government $14 million.

Rural housing and open spaces are the best investments in the world. There is not a banker who does not know this. All bankers like to get the mortgages. There is not a single "loan shark" who does not like to get his hands on the paper. There is nothing better than real property—real property, open spaces, land and buildings, housing, commercial property. All of this is the best one can get.

Despite this, the Senate is debating as if we were giving away money. The bankers of America will make millions, and justly so. They will lend the money. The families of America will be richer and more prosperous because of this program. The families will live better. The cities will be better cities because of the housing program. They will be more resourceful and will have more wealth. This is the best investment America has ever made.

I would be a trifle worried about people taking care of my limited resources if all the vision they had was to say, "Don't do this. Don't do that. Don't do this." I am sure the Russians did not put a man in orbit by saying, "Don't." Perhaps one of the reasons we are so late in the program is that we had too many "don'ters" and not enough "doers."

I thank the Senator from New Jersey. If any Senator would like a further argument, I am prepared for more.

Mr. WILLIAMS of New Jersey. I thank the Senator from Minnesota.

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

Mr. WILLIAMS of New Jersey. I yield.

Mr. CARROLL. The Senator from Minnesota, the Democratic whip, talked about Thornton, Colo.

Mr. DIRKSEN. Talked about what?

Mr. CARROLL Talked about Thornton.

Mr. DIRKSEN. I have never heard of it.

Mr. CARROLL. The Senator knew Governor Thornton, did he not?

Mr. DIRKSEN. The town was named after the former Republican Governor?

Mr. CARROLL. Yes.

Mr. DIRKSEN. It is a great town. [Laughter.]

Mr. CARROLL. This city does not need open spaces, because open spaces are all around.

I understand the point the Senator makes. There is only $100 million. We might as well face the situation. The money is not needed so much in Thornton and in Denver, but is needed in the great cities.

Mr. WILLIAMS of New Jersey. And in the State of Kansas, if we accept the resolution passed in Kansas.

Mr. CARROLL. I know, but Kansas is not that big, yet.

Mr. WILLIAMS of New Jersey. The citizens of Kansas feel that they need the program.

Mr. CARROLL. The Senator from Kansas knows the situation better than I, but I know it fairly well.

The Senator from Minnesota made a very important point, which I wish to reemphasize, if we have the time.

Mr. WILLIAMS of New Jersey. Mr. President, may I inquire how much time remains on this side?

The PRESIDING OFFICER. Seven minutes.

Mr. CARROLL. The Senator from Minnesota makes the point that the highway program in certain areas of New York cost $16 million a mile, and in Colorado and Kansas and other areas of the West the cost was $100,000 a mile, which is a drop in the bucket.

Mr. WILLIAMS of New Jersey. That amount would be the Federal contribution.

Mr. CARROLL. That amount would be a drop in the bucket, really, to meet the great problem which the able Senator from New Jersey has so eloquently described in the great cities. I do not think we need too much of such assistance in Denver. I shall try to get a portion of appropriated money if I can, but it is not as important to us as it would be to Chicago, Philadelphia, New York, and the other great populous areas of our country.

The Senator from Minnesota has placed his finger on the point. The program would be worth not $100 million, but in the decade ahead it would be worth $1 billion. We are speaking now of land value. I consider the area of Denver—a city that has sprawled and built around its parks. Commercial interests would like to take over our parks today, but not for $100 million. I am thinking in comparative terms, percentagewise. The improvement would be in terms of 95 percent, which would mean an immense investment.

I commend the Senator from New Jersey. I know that he is fighting an uphill fight. I see the able minority leader on his feet. I believe he will give the Senator from New Jersey another dose of esthetics, but I think the Senator from New Jersey is on the right track.

Mr. WILLIAMS of New Jersey. I thank the Senator from Colorado. Senators will recall what the President said in his March 9 message when he spoke about the importance of an open space program. He said:

> Open space must be reserved to provide parks and recreation, conserve water and other natural resources, prevent building in undesirable locations, prevent erosion and floods, and avoid the wasteful extension of public services.

The need is so urgent that we must start now.

The provisions of title VI are the provisions that the President has requested that we pass for the kind of conservation we should have.

Mr. CLARK. Mr. President, will the Senator yield me 2 minutes?

Mr. WILLIAMS of New Jersey. I yield 2 minutes to the Senator from Pennsylvania.

Mr. CLARK. The amendment, if agreed to, would strike out of the bill the best insurance policy for urban sanity that I have ever seen. The provision would make it possible to create the kind of decent urban and suburban development which is essential to the well-being of the overwhelming proportion of our people who live in urban centers. The grant would be relatively small compared with the urban renewal grant—25 percent as opposed to 67 percent.

When I think of the sums that we in the cities vote for agriculture, what we do for the State of South Dakota, and what we do for the people in the great farm areas, I am a little surprised and mildly hurt that, when an opportunity like the present one comes to do something for the sanity of the urban areas, we find that planning is still a naughty word in the Senate of the United States.

I say that we have before us a real test as to how much political lag there is in the Senate today. Is this a subject through which we are prepared to meet the necessities of the modern world? We have had one Senator tell us that it is. Here is another Senator who will tell us that it is.

Are we going to move ahead toward sanity in the treatment of our urban areas, or are we going to say that planning is still a naughty word, that the Senate is still living in the 18th century, and there is no possibility of bringing it up to date? If we do, if that is the way we think about it, we certainly should support the distinguished minority leader and his equally distinguished friend from South Dakota. Let us go all the way back behind the Founding Fathers into the days when the Pilgrims first came to this country if we want to defeat the amendment.

Mr. CASE of South Dakota. Mr. President, I yield 5 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I thank the Senator from South Dakota, and I yield myself 5 minutes on the bill.

I am fairly reduced to tears by these mayoral pleas tonight. At one time I was a member of a city council. Believe it or not, I used to live in the city in which the distinguished Senator from Minnesota was at one time the mayor. I can tell him things about his town that he does not even know. In fact, I got there when he was scarcely out of three-cornered pants. That is a long time ago. But I never saw any lack of permanent open spaces in the great cities of Minneapolis and St. Paul. In fact, one could go into south Minneapolis and into north Minneapolis and out to Lake Minnetonka and out to Lake Nokomis—and what other lake?

Mr. HUMPHREY. Cedar Lake, Lake Hiawatha, Lake Harriet, Lake Calhoun, and Lake of the Isles. I know a great deal about Minneapolis, too.

Mr. DIRKSEN. One never saw such open spaces in his life—and not a single Federal dollar went into it.

I have walked in Central Park in the moonlight in New York and watched the moon, drenched with moonbeams, filled with romance. I thought it was one of the great areas of the country. And not a dollar from the Federal Treasury was used for the development of Central Park.

Yes, we hear tearful pleas for 25 percent of the cost of such projects. But we would never know the end of it.

Look at what constitutes an urban area under the section. I fairly drool when I read the language:

> The term "urban area" means any area which is urban in character, including those surrounding areas which in the judgment of the administrator form an economic and socially related region.

Why, brilliant Senator, tell me what that section means.

Mr. HUMPHREY. I shall be delighted.

Mr. DIRKSEN. Tell me the broad expanse that is encompassed by a "socially related region" as determined by the administrator of the Housing Administration. Why, I suggest to the Senator from Arizona [Mr. HAYDEN], that term could include all of the State of Arizona if it was close to an urban area.

I never saw such an etymological piece of fantasy in my life as we find in title 6 of the bill.

Then the administrator must take into consideration such factors as "the present and future population." What will be the trend? One day the administrator may be looking out the window from the seventh floor of the Housing Administration building and he may be fairly entranced by some golden and romantic dream. He may think of a great region and see these windrows of additional people as our population moves up to 250 million. Suddenly he says in all seriousness, "This is a factor that I must take into account as I try to determine what constitutes an urban area."

Where is my friend from Colorado? I hope he is still here, because he was reciting all the glories of Denver. It is a great place—mile high, as we know. It has been built up beautifully. If one would wish to see open spaces, I suggest that he go out to the airport or to Fitzsimons General Hospital. I would suggest that he go anywhere around Denver and he will see open spaces to his heart's content. If one would stay long enough, he would develop an awful nostalgia for some of the closed spaces. But where is the city of Denver? Have the representatives of that city come here and supplicated and entreated for money? Where are the representatives of the city of Minneapolis over which my distinguished friend presided with such dignity, grace, and such confidence as the mayor?

Mr. HUMPHREY. I thank the Senator.

Mr. DIRKSEN. The mayor of that great scholarly city where I went to school. I never saw representatives of that city come here and ask us for funds from the Federal Treasury.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield. Yes, the Senator from New Jersey will correct me and say that the mayor was here. It still would not make any difference.

Mr. WILLIAMS of New Jersey. The United States Conference of Mayors came here.

Mr. DIRKSEN. Why, the Conference of Mayors is looking for some easy money from the Federal Treasury. I would do the same thing if I were a mayor, and if I thought the Senate was such an easy touch, as has been demonstrated this afternoon. I would not stay back in my city hall. I would move down to Washington and say, "I can serve the people better by getting this easy dough, by appearing before the committees of the House and Senate."

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of New Jersey. Does the Senator realize that the Federal share of the program is only 25 percent?

Mr. DIRKSEN. Only 25 percent. I see my friend from Colorado in the Chamber. I marveled at the dulcet, disarming way in which he said, "This $100 million is only a drop in the bucket."

Mr. CARROLL. For the big cities.

Mr. DIRKSEN. A hundred million dollars, Mr. President, is only a "drop in the bucket." I grew up at a time when on Sunday, if I had been a good boy for the whole week, my mother gave me a penny and said to me, "My son, don't spend it all in one place."

We have come a long way from then. The classic example is here tonight, when the Senator from Colorado says a hundred million dollars is "a drop in the bucket."

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

Mr. DIRKSEN. No wonder we are nursing a $295 billion debt. Before the committee of the distinguished Senator from Virginia [Mr. BYRD] there will come a delegation very soon from the Treasury Department. They will have to start thinking about a ceiling on the public debt. Where will the public debt go? $295 billion. I do not see how a request for a $300 billion debt ceiling can be avoided. We have already burst the barrier of cash expenditures, because the budget revision of May 1952 shows that the take from the American people was $103 billion and the output was close to $107 billion. Therefore, there was a $4 billion deficit in the cash balance when we come to the end of June 1962. But, Mr. President, a hundred million dollars is "a drop in the bucket."

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

Mr. DIRKSEN. I yield.

Mr. CARROLL. I would like to correct an impression that the Senator from Illinois seems to have. There is a place in Colorado called Thornton.

Mr. DIRKSEN. That is a great Republican town.

Mr. CARROLL. It voted for the junior Senator from Colorado.

Mr. DIRKSEN. That shows how impartial we can be.

Mr. CARROLL. It is a very intelligent community. We do not seek this program necessarily for Denver. I said to the able Senator from Kansas that we did not seek it for Kansas.

What I had in mind when I spoke of a drop in the bucket was the great metropolitan areas of this country, which have a great percentage of the population within their boundaries. A hundred million dollars for this purpose is a drop in the bucket for them. That is what I meant to convey. I think that is a fair statement. This is only the beginning. We might as well face that fact. More will be involved, as the able Senator from New Jersey and the able Senator from Minnesota said, because we are planning for the future. Over the past 50 years I have seen my own community sprawl out into the adjoining counties. We do not know how to solve the metropolitan problem. I am not asking for any part of this bill. However, when I think of great metropolitan areas like Chicago, New York, and Philadelphia, I see the problem that they face.

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

Mr. DIRKSEN. Was this on my time?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. I yield myself 1 more minute.

Mr. CARROLL. Mr. President, I wish to say to the Senator——

Mr. DIRKSEN. For 1 minute only, please.

Mr. CARROLL. The Senator from Illinois makes a sarcastic argument, ridiculous in some respects. However, this is a part of the program. If the Senate rejects it now, it will come up again. The point the able Senator from Minnesota made was that in the highway program, construction costs $16 million a mile in New York, and $100,000 a mile in the West. The Senator from Illinois comes from a great metropolitan area. The Senator knows more about this problem than I do.

Mr. DIRKSEN. I will take a little of my own time, because it is running out.

Mr. CARROLL. May I say one thing further?

Mr. DIRKSEN. No more, please. The Senator can get some time from the Senator from New Jersey [Mr. WILLIAMS].

Mr. WILLIAMS of New Jersey. How much time have I remaining?

The PRESIDING OFFICER. Three minutes.

Mr. CARROLL. I will take only a half minute. I do not want the Senator from Illinois to obscure the issue or to becloud it. This is a very simple issue. Do we want to get into this field for $100 million? When I came through the door I thought that was too much. When I heard the Senator's speech about esthetics, he impressed me. The Senator always impresses me. He does not always convince me, but he impresses me. I thought perhaps we ought not to go into this field. However, it is a part of the housing program.

I end on this note. I commend the able Senator from New Jersey, and I urge him to stick to his guns. If he does not win today he will win tomorrow or in the future.

Mr. DIRKSEN. Mr. President, I yield myself an additional 2 minutes. Let me first reply to the Senator from Colorado. We have heard about Thornton, Colo. There is also a town called Golden in Colorado. When I was in the House I went out there to join the senior class of the Golden High School, and that class got out the class paper, the last paper of the class, and the headline in that paper read "WPA, Here We Come."

I do not want that to happen again, but that is the way we get there when we go down the fiscal drain, and there is no responsibility. My friend speaks with impunity, in dulcet tones, with savoir faire, of $100 million being a drop in the bucket.

Let us persist on that road, and let us believe that it is only a drop in the bucket. Then soon a billion dollars becomes a drop in the bucket, and then several billion dollars. What will the result be? I want to see the fiscal solvency of this country preserved; $100 million is something more than a drop in the bucket in my book.

I came up in overalls long ago. When I get a dollar, I hold onto it. Perhaps we need a little more frugality in this country. When we look at the staggering debt and the staggering budget and a concerned President—

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

Mr. DIRKSEN. I yield myself 1 more minute.

As we consider a concerned President when he comes back from his visit with Khrushchev and De Gaulle, and the situation that confronts us today, we had better be thinking a little more than

academically about the issue of survival and national freedom. To preserve it in a world filled with the ugly contagion and fevers we see on the firmament of the world will require some money, and we had better be sure that it is available. Let us not talk about $100 million being a drop in the bucket. We had better sustain the amendment of the distinguished Senator from South Dakota, and strike down this $100 million for historic, esthetic, social regions in urban areas for permanent open spaces and a new dimension in space. Is it not wonderful?

Mr. CASE of South Dakota. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 10 minutes remaining.

Mr. CASE of South Dakota. I yield 1 minute to the Senator from Utah.

Mr. BENNETT. Mr. President, I wish to make the observation that there is a very interesting anomaly in this situation. We are appropriating $9 billion to build houses and $100 million to prevent the building of houses.

Mr. CASE of South Dakota. Mr. President, does the Senator from Ohio wish me to yield to him?

Mr. LAUSCHE. Yes. I should like to ask the Senator from New Jersey a question.

Mr. CASE of South Dakota. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. If we are interested in the establishment of recreational grounds because of their contribution to health and welfare, why does the Senator from New Jersey include an authorization for the acquisition of historic, scenic, esthetic, and other sites, which may be desirable, but are not essential, to the achievement of the objective he has in mind?

Would the Senator from New Jersey be willing to confine this authorization merely to the acquisition of recreational grounds in the areas he describes?

Mr. WILLIAMS of New Jersey. I think that would be unwise. I think it might be amenable to recreation, but also there might be stream valleys, which might not be necessary for recreation, but which are necessary for conservation. Any one if those objectives, I believe, would justify the inclusion of this provision.

As the President stated in his message, let us support intelligent conservation now of open space near urban areas before we see our urban areas become totally urban jungles.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota yield another minute?

Mr. CASE of South Dakota. I yield 1 additional minute to the Senator from Ohio.

Mr. LAUSCHE. I submit as the basis of my question what the President said in his message to Congress on May 25:

> Moreover, if the budget deficit now increased by the needs of our security is to be held within manageable proportions, if we are to preserve our fiscal integrity and world confidence in the dollar, it will be necessary to hold tightly to prudent fiscal standards; and I must request the cooperation of the Congress in this regard—to refrain from adding funds or programs, desirable as they may be, to the budget—to end the postal deficit through increased rates, a deficit, incidentally, which exceeds the fiscal year 1962 cost of all the space and defense measures I am submitting today—to provide full pay-as-you-build highway financing, and to close those tax loopholes earlier specified.

I submit that the proposal of the Senator from New Jersey to acquire historic, esthetic, and scenic sites may be desirable, but it is not essential in this period.

Mr. CASE of South Dakota. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 3 minutes remaining.

Mr. CASE of South Dakota. How much time does the Senator from New Jersey have remaining?

The PRESIDING OFFICER. The Senator from New Jersey has 2 minutes remaining.

Mr. CASE of South Dakota. I yield myself 1 minute. I will be willing to yield back the remaining 2 minutes, if the Senator from New Jersey is willing to yield back his remaining 2 minutes.

Mr. President, if $100 million is only a drop in the bucket, to take the figure of speech used by the Senator from Colorado, remember that we have already provided 20 drops for the urban areas, because $2 billion has already been provided for urban renewal under a program continued in this bill.

And there is another $2½ billion more in this bill for urban renewal. That ought to be at least 25 more drops in the bucket for urban development. So the cities are not entirely forgotten even if we do not start a new open space program on the Federal level right now.

A decision here that the Government should not provide $100 million to start this land buying at this time will not mean that the cities cannot do something in this area themselves.

Local governments are the best judges of the trend of land values. If an investment in a particular tract is indicated right now, they are in a better position to buy it at the right price than they would be if it were known that Uncle Sam was to supply 25 or 35 percent of the price.

There is nothing to prevent Chicago or Minneapolis from adding to the lake shore or forest reserve, or some of the other open space areas, on their own.

But what is the urgency today for giving this program $100 million worth of priority, under the conditions we face today? Good as the purposes of the program may be, why start it now on the Federal level?

On the day we are told the debt ceiling must be raised to $300 billion, why pledge the faith of the United States to pay out $100 million in grants to start this new program?

What is the urgency? I hope Senators will support my amendment to strike title VI from the bill and save $100 million in cash for more urgent projects.

Mr. WILLIAMS of New Jersey. Mr. President, every year we are taking a million acres of open land for the sprawling, inefficient, wasteful kind of development which has made our suburbs the worst possible places for now, and certainly for the future. As we continue to develop in that way, we are creating conditions that will insure the slums of tomorrow.

This is conservation of the best kind. It is conservation of natural resources for their use in recreation; conservation so that their growth will be more orderly, more efficient, and less wasteful.

A hundred million dollars represents 20 miles of metropolitan highway. We could relate this proposal to other things. I wish one of my friends, perhaps the Senator from South Dakota, would tell me what $100 million means in the storage of some of the surplus food. Relate this proposal to some of the other programs. Relate it to some of the other programs that a dollar for conservation today will represent unbelievable benefits tomorrow, if we have to undo, tear down, as the Senator from Minnesota suggested—tear down tomorrow what we have built today, we will really be embarked on a program of massive spending. Who will question that this body, which has done so much for conservation, will not recognize that this proposal is insurance against monumental spending tomorrow?

Mr. CASE of South Dakota. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. May we have the amendment of the Senator from South Dakota stated?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 77, beginning on line 16, it is proposed to strike out all of title 6 through line 2 on page 83.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. METCALF], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Arizona would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote

"nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Minnesota [Mr. McCarthy] is paired with the Senator from Kentucky [Mr. Morton]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Montana [Mr. Metcalf] is paired with the Senator from Vermont [Mr. Aiken]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Vermont would vote "yea."

On this vote, the Senator from Oregon [Mrs. Neuberger] is paired with the Senator from Colorado [Mr. Allott]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. Bridges] is absent on official business.

The Senator from Arizona [Mr. Goldwater] is necessarily absent.

The Senator from Vermont [Mr. Aiken], the Senator from Colorado [Mr. Allott], the Senator from Kentucky [Mr. Morton], and the Senator from Massachusetts [Mr. Saltonstall] are detained on official business.

The Senator from Vermont [Mr. Aiken] is paired with the Senator from Montana [Mr. Metcalf]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Montana would vote "nay."

On this vote, the Senator from Colorado [Mr. Allott] is paired with the Senator from Oregon [Mrs. Neuberger]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from New Hampshire [Mr. Bridges] is paired with the Senator from New Mexico [Mr. Chavez]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Arizona [Mr. Goldwater] is paired with the Senator from New Mexico [Mr. Anderson]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kentucky [Mr. Morton] is paired with the Senator from Wisconsin [Mr. McCarthy]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Wisconsin would vote "nay."

The result was announced—yeas 46, nays 42, as follows:

[No. 71]

YEAS—46

Beall	Cotton	Johnston
Bennett	Curtis	Jordan
Bible	Dirksen	Kerr
Boggs	Dodd	Kuchel
Butler	Dworshak	Lausche
Byrd, Va.	Eastland	McClellan
Cannon	Ellender	Miller
Capehart	Ervin	Mundt
Carlson	Fong	Muskie
Case, S. Dak.	Hickenlooper	Prouty
Church	Holland	Proxmire
Cooper	Hruska	Robertson
Russell	Stennis	Williams, Del.
Schoeppel	Talmadge	Young, N. Dak.
Smathers	Thurmond	
Smith, Maine	Wiley	

NAYS—42

Bartlett	Hayden	McNamara
Burdick	Hickey	Monroney
Bush	Hill	Morse
Byrd, W. Va.	Humphrey	Moss
Carroll	Jackson	Pastore
Case, N.J.	Javits	Pell
Clark	Keating	Randolph
Douglas	Kefauver	Scott
Engle	Long, Mo.	Smith, Mass.
Fulbright	Long, Hawaii	Sparkman
Gore	Long, La.	Symington
Gruening	Magnuson	Williams, N.J.
Hart	Mansfield	Yarborough
Hartke	McGee	Young, Ohio

NOT VOTING—12

Aiken	Bridges	Metcalf
Allott	Chavez	Morton
Anderson	Goldwater	Neuberger
Blakley	McCarthy	Saltonstall

So the amendment of Mr. Case of South Dakota was agreed to.

Mr. DIRKSEN. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. CASE of South Dakota. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MILLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be stated.

The Chief Clerk. On page 41, in line 6, after the word "housing," it is proposed to insert "including civil defense shelters."

Mr. SPARKMAN. Mr. President, I have discussed this amendment with the Senator from Iowa, and I am perfectly willing to accept it. I understand that the Senator from Iowa has also discussed the amendment with the Senator from Indiana [Mr. Capehart].

I should like to say this amendment relates to permitting fallout shelters to be a part of the demonstration program provided in the public housing section of the bill.

Mr. MILLER. Civil defense shelters.

Mr. SPARKMAN. Yes, civil defense shelters.

We have wrestled with this problem a good many times, in the committee. This year we called attention to the fact that in 1960 we requested the HHFA and the OCDM to study these matters and to submit to the Congress a report containing any recommendations for amendment to existing legislation.

In our report we state:

> The committee wishes to restate its request for further study of this matter and for a report to be submitted to the Congress. The committee suggests that this report be made at the earliest possible date and not later than January 1, 1962.

I want it clearly understood that the acceptance of this amendment does not change our view in that we ought to have a report regarding this subject from these two agencies.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield.

Mr. JAVITS. That provision was put into the report at my insistence. I feel this is a critically important matter in relation to housing, and I should like to join with the Senator in charge of the bill in pledging that we shall do our utmost to get this kind of report, which has been so long outstanding now. So long as the Senator from Alabama feels that the amendment of the distinguished Senator fits into that concept, I think it should be adopted.

Mr. MILLER. I thank the Senator. This amendment does not necessitate action on the part of the administrative authority. It merely provides for greater flexibility so that the Administrator can fit it into Federal policy with respect to this matter.

Mr. DIRKSEN. Mr. President, I intrude just one thought. In some of the suburbs north of Chicago, the Civil Defense Administrator has persuaded people to put in so-called bomb shelters. Then comes the assessor and says it is a capital improvement, and a tax will be assessed against it. We are not going to get very far with a civil defense program if the people are to be taxed for it. I make the record only to be sure the Administrator takes that fact into consideration.

Mr. MILLER. Mr. President, do I correctly understand that the Senator in charge of the bill has accepted the amendment?

Mr. SPARKMAN. I am willing to accept it. Of course, the question must be put.

Mr. MAGNUSON. Mr. President, I wish to ask a simple question. I have heard much talk about back-door spending. Would this provision obligate the Senate committee to appropriate money for defense shelters?

Mr. MILLER. Not at all, except, insofar as it might appear in one of the demonstration-type units. In other words, this proposal fits in with the idea that the Civil Defense Administrator has expressed in the report, on page 3, in which it is pointed out that—

> OCDM, in carrying out this policy, places emphasis on education, the utilization of existing and new Federal buildings, and prototype shelters of various kinds.

This proposal fits in with the policy of the OCDM and the Administrator. It does not go beyond the demonstration.

Mr. MAGNUSON. But Congress has consistently denied the Civil Defense Administrator money for buildings. This proposal would in some ways obligate us to do something about it; would it not?

Mr. MILLER. This would not obligate the Administrator or the Authority to do anything. This section, on page 41, says the Authority is authorized to do so.

Mr. MAGNUSON. It is a little nose under the tent.

Mr. MILLER. Particularly in light of the legislative history which has been made, it would seem strange that the Authority would fly in the face of it,

contrary to the policy and the report that is expected to be made by January 1, 1962, and particularly when this section applies only to the demonstration area. I think we might be missing the boat if we did not permit the demonstration areas to show how civil defense shelters might be efficiently made.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I call up my amendments identified as "6-1-61—A."

The PRESIDING OFFICER. The amendments offered by the Senator from Indiana will be stated.

Mr. CAPEHART. Mr. President, I ask unanimous consent to dispense with the reading of the amendments, and have them printed in the RECORD.

Mr. KEATING. Mr. President, reserving the right to object, will the Senator explain the amendments? I should like to know what I am voting on.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The amendments offered by Mr. CAPEHART (for himself and Mr. BENNETT) are as follows:

On page 42, between lines 19 and 20, insert the following:

"LOCAL RESPONSIBILITIES

"SEC. 301. Section 101(c) of the Housing Act of 1949 is amended by—

"(1) striking out 'unless (1)' and inserting in lieu thereof the following: 'unless (1) the locality with respect to which an application for assistance under this title is made has had in effect for at least one year prior to the filing of such application a minimum standards housing code deemed adequate by the Administrator and which he determines has been satisfactorily enforced from the time of its adoption or for at least one year prior to the filing of such application, whichever is the lesser, (2)'; and

"(2) striking out 'and (2)' and inserting in lieu thereof 'and (3)'."

On page 42, line 21, strike out "301" and insert "302".

On page 44, line 5, strike out "302" and insert "303".

On page 45, line 4, strike out "303" and insert "304".

On page 45, line 23, strike out "304" and insert "305".

On page 47, line 12, strike out "305" and insert "306".

On page 48, line 10, strike out "306" and insert "307".

On page 48, line 15, strike out "307" and insert "308".

On page 49, line 16, strike out "308" and insert "309".

On page 50, line 9, strike out "309" and insert "310".

On page 50, line 20, strike out "310" and insert "311".

On page 54, line 5, strike out "311" and insert "312".

On page 56, line 8, strike out "312" and insert "313".

On page 58, line 2, strike out "313" and insert "314".

On page 58, line 21, strike out "314" and insert "315".

On page 58, line 22, strike out "clause (1)" and insert in lieu thereof "clause (2) (as redesignated by section 301)".

Mr. CAPEHART. Mr. President, I ask unanimous consent that a statement I have prepared be printed in the RECORD at this point as a part of my remarks.

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

STATEMENT BY SENATOR CAPEHART

MINIMUM HOUSING STANDARD AMENDMENT

The bill provides for a $1 million insured experimental housing program designed primarily to study new materials and ideas in housing construction.

In fact, the committee report sets out four examples:

1. Stretched-skin sandwich panel.
2. Nylon tubing for plumbing.
3. Super-imposed veneer finishes for floors, walls, etc.
4. Plastic-woven wall coverings.

Now, if these and a hundred other materials and ideas are found by FHA to be acceptable for FHA insurance on a general scale, where are the houses going to be built in compliance with existing codes?

This amendment does not produce an argument in support of any particular modern development in housing, but it is a vehicle by which our general housing program can progress in a manner other than through the constant pouring of public funds into new and fanatical schemes.

It is interesting to note that a survey made in 1959 showed that about 758,000 substandard dwelling units came into existence between 1950 and 1956 in metropolitan areas.

This is in addition to those units which were standard in 1950, but which lapsed into substandard by 1956.

The total 758,000 units is more than twice the number of public housing units the Federal Government helped to build in the same 6-year period.

It is also shown in the survey that enforcement of minimum housing standards in these same areas probably would have eliminated the entire 758,000 units from the substandard inventory in those areas.

The cost to bring these units to proper standards through satisfactory code enforcement would have been far less than the cost of public housing necessary to relieve the conditions.

This amendment would be the first step toward requiring cities who wish to participate in Federal housing programs to modernize their minimum housing standards and to step up enforcement.

Considerable evidence has been acquired by the committee as well as the housing agencies that codes in many areas are quite old and that many areas have shoddy code enforcement.

These conditions would tend to contribute to increased substandard housing through the Federal housing programs.

Mayor Lee, of New Haven, Conn., made a point of the fact that modernization of codes and better code enforcement were primary factors in the successful rehabilitation program in his city.

This amendment merely requires that cities modernize their codes in advance of their applications for Federal housing assistance under the urban renewal section of the bill and that satisfactory code enforcement be demonstrated for at least a year in advance of the Federal commitment.

Mr. CAPEHART. Mr. President, I invite the attention of the Senator in charge of the bill to the fact that the amendment has to do with establishing better building codes on the part of cities desiring help from the Federal Government on urban renewal projects. The theory is that, unless we do it, we are going to create slums out of the new construction in urban renewal projects.

I suggest to the able manager of the bill that we instruct the Housing Subcommittee of the Banking and Currency Committee to study the question, report back to the Subcommittee on Housing, and the full committee, and, at a later date, offer legislation to establish some good maximum and minimum housing codes in respect to urban renewal projects.

Mr. SPARKMAN. Mr. President, I am glad to have that suggestion from the able Senator from Indiana. I am familiar with the problem he is trying to meet. I think it is a problem which can be more effectively handled after a study has been made, and I am certainly willing to accept the proposal.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, an article which appeared in the Wall Street Journal of May 31, 1961; and I now withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

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

RULES FOR BUILDER: CONTRACTORS, OTHERS STRIVE TO GET CITIES TO MODERNIZE CODES—NEW RULES TOUCH OFF BOOM IN DOWNTOWN ST. LOUIS, CUT HOUSE PRICES AT DETROIT—ALUMINUM AND BIG WINDOWS

(By James R. Macdonald)

ST. LOUIS.—Early this fall, construction crews will begin tearing down 50-year-old buildings in a block-square downtown section of this old Mississippi River city. In their place will rise a gleaming $9 million office building, which city officials say will be the first major new building to be constructed in downtown St. Louis in more than 35 years.

The office building will be only a starter. St. Louis city officials and businessmen are poring over blueprints for an additional $50 million of new downtown construction over the next 12 months. It's estimated that in the next 5 years some $200 million will be put into new construction in the heart of the city.

Why the sudden building boom here? Joseph P. Sestric, St. Louis' acting building commissioner, has a simple explanation: "We finally got ourselves a new building code." Private builders and other public officials agree that this city is only beginning to reap the benefits of modernizing a building code whose outmoded provisions had discouraged new construction for many years.

In other parts of the country, builders and producers of construction materials are fighting hard to win similar acceptance of the many new materials and construction techniques now available, usually at considerable savings in cost, but often prohibited by the city ordinances that regulate the building industry. Already this campaign has scored some impressive gains. In 1960, more than 1,000 communities made major revisions in their building codes, the National Association of Home Builders estimates. But, the NAHB add, there are still some 25,000 codes at the city, county, or State level that need modernizing.

PROTECTING THE PUBLIC

Fundamentally, building codes are detailed sets of rules adopted by local communities to govern all types of construction. The codes prescribe minimum standards for builders, with the sole aim, in theory, of

protecting the health and safety of the community. In other words, codes are designed to prevent unscrupulous contractors from using unsafe or inferior materials and assembly methods and passing them off on an unwary public.

No one seems certain where building codes originated. Codes have been traced back as far as the ancient Egyptians and Romans, however. In those days, if an architect-contractor designed and built a structure that collapsed and killed someone, public-spirited citizens promptly lynched him. Present laws, while less vengeful, do provide for criminal penalties in extreme cases.

Most present-day codes can be classified as specification codes; these spell out the materials and assembly methods that can be used. The usual interpretation placed on such codes is that unless a particular material or method is specified, it is prohibited.

Builders complain that most of these codes were written many years ago and don't take into account the development of modern, low-cost materials and techniques. Moreover, these codes vary widely from city to city, each code imposing a different set of requirements on contractors. Thus, the contractor often can't take advantage of big potential savings through standardization of component parts. To get permission to use a nonspecified material, the builder must persuade the local code administrator to relax the law to permit its use—a time-consuming and costly process.

UNQUALIFIED PERSONNEL

Builders also declare that in many cities the code administrator isn't technically qualified to perform his job adequately. An official of the NAHB says that "in many cities, particularly in smaller ones, the community won't pay a high enough salary to attract good men. This results in the hiring of a retired carpenter or plumber who may be an authority on nailing boards together or on installing plumbing but who isn't qualified to administer the code."

Politics—and occasionally graft—enter the picture in a number of cities, builders add. One homebuilder in the Midwest says that "about the only way to handle a sticky building code problem in some cases is just to be extra nice to the code administrator."

The building industry is pressing for adoption of so-called performance-type codes. Instead of specifying materials and methods, a performance code allows a builder to use any material and construction technique he desires so long as they "perform" according to certain standards, such as providing a certain amount of resistance to fire.

MODEL CODES DRAFTED

Four model performance-type building codes have the backing of most of the industry. These codes were drafted by regional associations of building code officials—the Building Officials Conference of America, Chicago; Southern Building Code Conference, Birmingham, Ala.; International Conference of Building Officials, Los Angeles—and by the National Board of Fire Underwriters, New York. The codes are all similar but each takes into account the various climatic and other purely regional requirements for construction.

While the makers of materials that are relatively new to the building industry—aluminum, for example—are the more obvious beneficiaries of code changes, it appears that in many cases the prospective home buyer also stands to gain significantly.

"If the building code would allow me to use the materials and methods I wanted, I would build 20 percent more new homes each year and could cut the price on each one by about $1,000," declares Ralph J. Finitzo, a builder of homes in suburbs of Chicago.

E. J. Burke, president of the NAHB, believes that one of the most urgent needs of the housing industry is to stimulate more low-cost housing development. To accomplish this, Mr. Burke says, "building code reform is an absolute must."

NEW CODE FOR ARLINGTON HEIGHTS

William Alter, another builder in suburban Chicago, says that a new building code covering an area outside Arlington Heights, Ill., where he plans to build more than 400 dwellings in 1961 and 1962, will enable him to charge about 10 percent less than for a comparable house in a neighboring suburb.

Mr. Alter says that in the development outside Arlington Heights he is now able to use light, easy-to-install copper plumbing materials instead of the lead plumbing he must use in some areas, saving an average of $150 a home. Mr. Alter also is now using dry-wall panels rather than wet plaster inside the homes in the development, saving about $300 a house.

Detroit homebuilder Sheldon Rose reports that the adoption of a new performance building code 2 years ago helped him cut prices. Under the new code he is permitted to build non-load-bearing interior walls and to space his exterior wall studs 24 inches apart instead of 16 inches apart as formerly required. "These may not sound like important changes," Mr. Rose says, "but by the time you add up the savings on the new materials themselves, plus the savings in labor stemming from the fact that these materials allow faster construction, it comes to several hundred dollars a house."

For some builders, the building code can mean the difference between whether they do business in a particular area or not.

A PREFABRICATOR'S TROUBLES

Harnischfeger Homes, Inc., a big prefabricator of houses, reports that in two midwestern communities antiquated building codes had prevented it from erecting houses in the areas. "These were simply impossible codes to work with," a Harnischfeger official states. "In one case prefabs were banned altogether, and in the other the code would have jacked up costs to the point where it would have made it uneconomical for us to build."

Working with local civic groups and builders, the company was able to convince both communities that new codes were needed. In one instance the company helped the city write an entirely new code, and in the other case it persuaded the community to adopt the model code drawn up by the Building Officials Conference of America.

Here in St. Louis, builders are now free to make liberal use of such materials as aluminum, steel, copper, and plastics. Under the old code, any commercial building with under 100,000 square feet of floor space had to be built of masonry products in order to live up to the code's fire-resistance requirements. And in buildings with more than 100,000 square feet of floorspace, any materials used, such as steel panels, had to be backed up with a protective sheath of brick or stone ranging from 6 to 12 inches in thickness.

In multiple-story residential units, such as apartments, the old St. Louis code required at least 36 inches of solid masonry separating the top of windows on one floor from the bottom of windows on the floor above. Now builders and architects are free to stretch windows a full floor in height if they so desire. The old code required that electrical wiring in new commercial buildings had to be installed in rigid metal conduits. The new code permits flexible conduits that not only cost less initially, but are faster and thus cheaper to install.

UNION OPPOSITION

St. Louis did not get its new code easily. There was bitter opposition from the masonry industry as well as from the bricklayers' and electricians' unions, who feared loss of work. Nevertheless, the code was approved in what Arthur Wright, executive director of Downtown St. Louis, Inc., a privately financed downtown promotion group, calls "unquestionably, the most important single piece of legislation passed by this city in 20 years."

Though progress to date in its building code overhaul campaign has been encouraging, the building industry plans to step up its efforts in this direction.

A powerful new ally who may give the drive a big boost: Uncle Sam. Earlier this year, President Kennedy's special task force on housing legislation recommended, as one important way to stimulate more homebuilding, creation of a special Federal commission that would deal exclusively with the problem of building code improvement and standardization.

The National Association of Home Builders has in the works a special survey designed to pinpoint areas where building codes are a problem for builders. The NAHB expects to question 1,300 builders on the building codes in their areas and will concentrate its campaign for code reforms in the areas that show the most trouble.

Associations representing various materials manufacturers also are investing heavily in the campaign. The National Lumber Manufacturers Association, for example, will spend "over $500,000 in our code-modernization effort this year," according to Gerald F. Prange, vice president, technical services. This amount is nearly double the outlay of 1960.

Finally, the model code groups themselves are increasing their efforts to get their codes adopted. The Building Officials Conference of America has increased its promotional budget 10 percent this year and the Southern Building Code Conference plans to publish a series of pamphlets stressing the need for up-to-date building codes. These will be sent to city officials and code administrators all over the South.

Mr. FONG. Mr. President, I call up my amendments identified as "6-6-61—A."

The PRESIDING OFFICER. The amendments offered by the Senator from Hawaii will be stated.

Mr. FONG. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with and that they be printed in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The amendments offered by Mr. FONG are as follows:

On page 83, strike out the lines 5 through 8, and insert in lieu thereof the following:

"SEC. 701. (a) Section 501(b) of the Housing Act of 1949 is amended by inserting '(1)' immediately after '(b)' and by adding at the end thereof a new paragraph as follows:

"'(2) For the purposes of this title, the terms "owner", "farm", and "mortgage" shall be deemed to include, respectively, the lessee of, the land included in, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made.'

"(b) Section 502(b)(1) of such Act is amended by striking out 'and such additional security' and inserting in lieu thereof the words 'or such other security'."

On page 83, line 9, strike out "(b)" and insert in lieu thereof "(c)".

On page 83, line 12, strike out "(c)" and insert in lieu thereof "(d)".

Mr. FONG. Mr. President, these amendments are simple, innocuous, and noncontroversial. They propose to grant to lessee farmers the benefit of provisions of the law on farm housing loans—that is, farmers who are farming lands that are being leased.

At the present time farmer lessees do not come under the provisions of the farm housing act. Only owners in fee simple are given that advantage. The Veterans' Administration has seen fit to guarantee loans to veteran lessees, and the Federal Housing Administration has seen fit to insure loans of lessees who apply for loans under the Federal Housing Act.

There are many farmer lessees in the United States, but I believe in Hawaii there are more farmer lessees than in all the other States of the Union, due to the fact that, historically, our land was owned by the King up to approximately 120 years ago. Since then the land has been divided, one-third to the King, one-third to the nobles, and one-third to the common people. As a result, there are many large landowners in the State of Hawaii, and leases to farmers are very common.

At the present time, under the farmers loan act, a farmer who has a lease, let us say, for 999 years, would not come under the provisions of this act. This amendment would put him in the same category as the owner of a farm.

The amendments are discretionary. So long as the Secretary of Agriculture is satisfied that the security will make the Government whole, he may lend the money. If the Secretary feels the security will not make the Government whole, he need not make the loan.

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

Mr. FONG. I yield.

Mr. SPARKMAN. Mr. President, I have examined the amendments. I have discussed them with the distinguished Senator from Hawaii. I think, in view of the particular land title situation which prevails in Hawaii, the amendments are justified. So far as I am concerned, I am willing to accept the amendments.

Mr. FONG. I thank the distinguished Senator from Alabama. I ask that the amendments be agreed to.

Mr. SPARKMAN. Mr. President, I yield back my time.

The PRESIDING OFFICER. Does the Senator from Hawaii yield back his remaining time?

Mr. FONG. I do.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Hawaii.

The amendments were agreed to.

Mr. SPARKMAN. Mr. President, on behalf of myself and the Senator from New York [Mr. JAVITS], I offer the amendment which I send to the desk and ask to have stated.

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

The CHIEF CLERK. On the first page, after the title heading, it is proposed to insert a new section, as follows——

Mr. SPARKMAN. Mr. President, the amendment is rather lengthy. I ask unanimous consent that the reading of the amendment be dispensed with, and that the amendment be printed in the RECORD. I shall explain it.

Mr. DWORSHAK. Mr. President, I object. I insist that the amendment be read.

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

The CHIEF CLERK. On the first page, after the title heading, insert a new section, as follows:

HOUSING FOR MODERATE INCOME FAMILIES

"SEC. 101. (a) Section 221 of the National Housing Act is amended by—

(1) inserting before the text of such section a section heading as follows: "HOUSING FOR MODERATE INCOME AND DISPLACED FAMILIES";

(2) striking out subsection (a) and inserting in lieu thereof the following:

"(a) This section is designed to assist private industry in providing housing for low and moderate income families and families displaced from urban renewal areas or as a result of governmental action.";

(3) inserting in subsection (b) after "any mortgage" the following: "(including advances during construction on mortgages covering property of the character described in paragraphs (3) and (4) of subsection (d) of this section)";

(4) striking out clauses (A) and (B) in subsection (d)(2) and inserting in lieu thereof the following: "(A) not to exceed (i) $9,000 in the case of a property upon which there is located a dwelling designed principally for a single-family residence, (ii) $18,000 in the case of a property upon which there is located a dwelling designed principally for a two-family residence, (iii) $27,000 in the case of a property upon which there is located a dwelling designed principally for a three-family residence, or (iv) $33,000 in the case of a property upon which there is located a dwelling designed principally for a four-family residence: *Provided*, That the Commissioner may increase the foregoing amounts to not to exceed $15,000, $25,000, $32,000, and $38,000, respectively, in any geographical area where he finds that cost levels so require; and (B) in the case of new construction not to exceed such per centum of the appraised value of the property as provided in section 203(b)(2) with respect to property covered by a mortgage insured under section 203, and in the case of repair and rehabilitation the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation, except that in no case shall such mortgage exceed such estimated cost of repair and rehabilitation, and the amount, if any (as determined by the Commissioner), required to refinance existing indebtedness secured by any such property:";

(5) striking out the first and third provisos in subsection (d)(2) and the colons preceding those provisos;

(6) striking out subsection (d)(3) and inserting in lieu thereof the following:

"(3) if executed by a mortgagor which is a public body or agency, a cooperative (including an investor-sponsor who meets such requirements as the Commissioner may impose to assure that the consumer interest is protected), or a limited dividend corporation (as defined by the Commissioner), or a private nonprofit corporation or association regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Commissioner under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section, the mortgage may involve a principal obligation in an amount—

"(i) not to exceed $12,500,000;

"(ii) not to exceed for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $2,250 per room (or $8,500 per family unit if the number of rooms in such property or project is less than four per family unit), except that the Commissioner may in his discretion increase the dollar amount limitation of $2,250 per room to not to exceed $2,750 per room, and the dollar amount limitation of $8,500 per family unit to not to exceed $9,000 per family unit, as the case may be, to compensate for higher costs incident to the construction of elevator type structures of sound standards of construction and design, and except that the Commissioner may increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed $1,000 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require; and

"(iii) not to exceed (1) in the case of new construction, the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner), or (2) in the case of repair and rehabilitation the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation: *Provided*, That in no case shall such mortgage exceed such estimated cost of repair and rehabilitation, and the amount, if any (as determined by the Commissioner), required to refinance existing indebtedness secured by the property or project: *Provided further*, That such property or project, when constructed, or repaired and rehabilitated, shall be for use as a rental or cooperative project, and low and moderate income families or families displaced by urban renewal or other governmental action shall be eligible for occupancy in accordance with such regulations and procedures as may be prescribed by the Commissioner and that the Commissioner may adopt such requirements as he determines to be desirable regarding consultation with local public officials where such consultation is appropriate by reason of the relationship of such project to projects under other local programs; or";

(7) striking out in subsection (d)(4) "which is not a nonprofit organization" and inserting in lieu thereof "other than a mortgagor referred to in subsection (d)(3)";

(8) striking out subsection (d)(4)(ii) and inserting in lieu thereof the following:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $2,250 per room (or $8,500 per family unit if the number of rooms in such property or project is less than four per family unit), except that the Commissioner may in his discretion increase the dollar amount limitation of $2,250 per room to not to exceed $2,750 per room, and the dollar amount limitation of $8,500 per family unit to not to exceed $9,000 per family unit, as the case may be, to compensate for higher costs incident to the construction of elevator type

structures of sound standards of construction and design, and except that the Commissioner may increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed $1,000 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require;";

(9) striking out in subsection (d)(4)(iv) the language following "(iv)" and preceding *"And provided further"* and inserting in lieu thereof the following: "not exceed 90 per centum of the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project: *Provided,* That in no case shall such mortgage exceed such estimated cost of repair and rehabilitation, and the amount, if any (as determined by the Commissioner), required to refinance existing indebtedness secured by the property or project:";

(10) striking out in subsection (d)(5) "but not to exceed forty years from the date of insurance of the mortgage" and inserting in lieu thereof "but as to mortgages coming within the provisions of subsection (d)(2) not to exceed forty years from the date of beginning of amortization of the mortgage";

(11) inserting a colon and the following proviso before the period at the end of subsection (d): *"Provided,* That a mortgage insured under the provisions of subsection (d)(3) shall bear interest (exclusive of any premium charges for insurance and service charge, if any) at not less than the annual rate of interest determined, from time to time by the Secretary of the Treasury at the request of the Commissioner, by estimating the average market yield to maturity on all outstanding marketable obligations of the United States, and by adjusting such yield to the nearest one-eighth of 1 per centum";

(12) inserting the following at the end of subsection (f): "A property or project covered by a mortgage insured under the provisions of subsection (d)(3) or (d)(4) shall include five or more family units. The Commissioner is authorized to adopt such procedures and requirements as he determines are desirable to assure that the dwelling accommodations provided under this section are available to families displaced from urban renewal areas or as a result of governmental action. Notwithstanding any provision of this Act, the Commissioner, in order to assist further the provision of housing for low and moderate income families, in his discretion and under such conditions as he may prescribe, may insure a mortgage which meets the requirements of subsection (d)(3) of this section as in effect after the effective date of the Housing Act of 1961, with no premium charge, with a reduced premium charge, or with a premium charge for such period or periods during the time the insurance is in effect as the Commissioner may determine, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to reimburse the Section 221 Housing Insurance Fund for any net losses in connection with such insurance. No mortgage shall be insured under subsection (d)(2) or (d)(4) of this section after July 1, 1963, except pursuant to a commitment to insure before that date, or except a mortgage covering property which the Commissioner finds will assist in the provision of housing for families displaced from urban renewal areas or as a result of governmental action.";

(13) redesignating paragraph (3) of subsection (g) as paragraph (4) and inserting after paragraph (2) of subsection (g) a new paragraph as follows:

"(3) as to mortgages meeting the requirements of this section, notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the Commissioner may, in accordance with such regulations as he may prescribe, acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in debentures of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Commissioner and made previously by the mortgagee under the provisions of the mortgage, and after the acquisition of the mortgage by the Commissioner the mortgagee shall have no further rights, liabilities, or obligations with respect to the loan or the security for the loan: *Provided,* That as to mortgages meeting the requirements of subsection (d)(3) of this section, notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the Commissioner in his discretion may, in accordance with such regulations as he may prescribe, make payments pursuant to such paragraphs in accordance with the mortgage insurance contract in cash rather than debentures, or acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee of such total amount in cash rather than debentures, if so provided in the mortgage insurance contract. The appropriate provisions of sections 204 and 207 relating to the issuance of debentures shall apply with respect to debentures issued under this subsection, and the appropriate provisions of section 204 and 207 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this subsection, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner, except that as applied to mortgages insured under this section (A) all references in section 204 to the Fund or Mutual Mortgage Insurance Fund shall be construed to refer to the Section 221 Housing Insurance Fund, (B) all references in section 204 to 'section 203' shall be construed to refer to this section, and (C) all references in section 207 to the Housing Insurance Fund, Fund, or Housing Fund shall be construed to refer to the Section 221 Housing Insurance Fund; or";

(14) striking out in paragraph (4) of subsection (g) (as redesignated by the preceding paragraph) the phrase "this paragraph (3)", each place it appears, and inserting in lieu thereof "this paragraph"; and

(15) inserting in the last sentence of subsection (h) after "cash adjustments," the following: "cash payments,".

(b) Section 101(c) of the Housing Act of 1949 is amended by—

(1) striking out "under section 220 or 221" and inserting in lieu thereof "under section 220 or section 221(d)(3)";

(2) striking out "of section 220(d), or under section 221 of the National Housing Act, as amended, if the mortgaged property is in an area described in clause (3) of section 221(a) of said Act, or in a community referred to in clause (2)(B) of said section" and inserting in lieu thereof "of section 220(d) of the National Housing Act"; and

(3) striking out clause (iii) and renumbering clause (iv) as clause (iii).

(c) Section 305 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

"(h) Notwithstanding clause (2) of section 302(b) and any provision of this Act which in inconsistent with this subsection, the Association is authorized (subject to Presidential action as provided in subsection (a), as limited by subsection (c)) to purchase pursuant to commitments or otherwise, and to service, sell, or otherwise deal in mortgages insured under the provisions of section 221(d)(3) of this Act."

(d) Section 223 of the National Housing Act is amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

"(b) Notwithstanding any of the provisions of this title and without regard to limitations upon eligibility contained in section 221, the Commissioner may in his discretion insure under section 221(d)(3) any mortgage executed by a mortgagor of the character described therein where such mortgage is given to refinance a mortgage insured under this Act and covering an existing property or project (other than a one- to four-family structure) located in an urban renewal area, if the Commissioner finds that such insurance will facilitate the occupancy of dwelling units in the property or project by families of low or moderate income or families displaced from an urban renewal area or displaced as a result of governmental action."

Redesignate succeeding sections in title I accordingly.

Mr. SPARKMAN. Mr. President, I do not care to discusss the amendment at length.

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

Mr. SPARKMAN. I yield.

Mr. HOLLAND. Does not the Senator think that a proposal as sweeping as his amendment, which manifestly replaces or is designed to replace much of title I, should be printed so that Senators might have an opportunity to see it and realize what changes are proposed to be made before the Senate is required to pass upon the amendment?

Mr. SPARKMAN. Under the circumstances, I do not see how such procedure could be followed. The leadership announced earlier today that it was the intention to complete consideration of the bill tonight. I have offered the amendment. Practically all the amendment is printed in the bill. I intended to explain the differences.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. SPARKMAN. Many amendments are offered which are not printed.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield further.

Mr. HOLLAND. I have tried very hard to follow——

Mr. SPARKMAN. If the Senator will permit me, I should like to say that I intend to explain the amendment. The changes will not be difficult to describe. I assure the Senator that I will give him an accurate description of what the amendment provides.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. WILLIAMS of Delaware. Have we the assurance of the Senator from Alabama that his amendment is substantially in the same language as the language of the bill?

Mr. SPARKMAN. No, I will explain the differences. There are differences, and I will explain what they are.

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

Mr. SPARKMAN. I am willing to yield, but I do not wish to lose all my time by yielding. I yield.

Mr. GORE. The Senator from Alabama has said that the amendment ap-

pears partially printed in the bill. I know the Senator will give us an honest interpretation of the amendment as he sees it. I have not had an opportunity to see the amendment. It is a very long one. I plead with the Senator, in the interest of correct and proper legislative procedure, the time now being 25 minutes to 11, that he ask the leadership to move for a recess until tomorrow, at which time all Senators will have an opportunity to examine the text of the amendment.

Mr. SPARKMAN. So far as I know, the amendment is the last amendment about which there is any controversy. I have one amendment to offer which I believe is noncontroversial. I have discussed it with the senior Senator from Indiana [Mr. CAPEHART], and he has agreed to it.

The amendment merely relates to a change with reference to the small business loans that are allowed for small businesses that are put out of business by reason of displacement because of urban renewal, and other governmental action. I believe we can finish consideration of the bill tonight. Since we have stayed here this long, I agree with the leadership that we should continue and finish.

I assure the Senator from Tennessee that the changes in the pending amendment are not difficult to describe. The language that was read is from the printed bill. There is very little insertion or change.

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

Mr. SPARKMAN. I yield.

Mr. GORE. As the Senator from Florida has said, it is very difficult to follow a reading of the amendment while following the bill and then come to a conclusion. I am not prepared to doubt the Senator, but from listening to a reading of the amendment, I assure the Senator that I shall have two amendments of far-reaching purport to his amendment. My amendments would not be intended to detain the Senate, but would be offered in the interest of orderly legislation. If the Senate wishes to continue through the night—and there would be sufficient time to consider the two amendments—the Senate can do so. But I understand that no business is scheduled for tomorrow. I plead with the Senator to speak to the leadership in the interest of orderly legislation.

Mr. SPARKMAN. If I had my way, the Senate would have adjourned at about 6 o'clock this evening until tomorrow. I for one will be in Washington on Friday. I am here every Friday. I do not mind working on Friday. I would have been glad to have a session of the Senate tomorrow. But the leadership announced earlier today that it was planned to finish consideration of the bill this evening. We have been proceeding. Of course, the decision is for the leadership to determine what we shall do. I am ready to continue with the amendment, and I would like to make a brief explanation of what it provides.

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

Mr. SPARKMAN. I yield.

Mr. BUSH. I am very much confused as to what the procedure will be. I also have an amendment that I have been waiting all night to offer, and unless I offer it as an amendment to the pending amendment, I shall not be able to offer it, because it must be a part of the amendment of the Senator from Alabama or else it will not fit.

Mr. SPARKMAN. Has the Senator from Connecticut consulted the Parliamentarian on that question?

Mr. BUSH. Yes.

Mr. SPARKMAN. I know what the Senator's amendment provides.

Mr. BUSH. My amendment would simply confine the benefits of the subsidized interest rates to families which would be displaced by urban renewal or other governmental activity.

Mr. SPARKMAN. Yes.

Mr. BUSH. I want an opportunity to offer the amendment to the amendment of the Senator from Alabama. I cannot do so because I have not seen his amendment, and I do not know how to fit my language into it. Perhaps the Senator can help me.

Mr. SPARKMAN. I will ask one of the members of the staff of the subcommittee to assist the Senator from Connecticut.

Mr. BUSH. If I receive a copy of the amendment, I can determine the point at which my amendment should come.

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

Mr. SPARKMAN. I yield.

Mr. HOLLAND. I have no question as to the desire of the Senator and his intention to describe his amendment as clearly as he can and in words which we can all understand, but in trying to follow the subject, I noticed there were dozens of changes from the printed text of title 1. Many of the changes may have been of no substance. I am inclined to think that such is the case. I sensed only two very great changes as I glanced through. But the reading was so cursory, and the new version is so much shorter than the original title 1, that I think no one could listen to a quick reading of the type that we heard and really know with certainty what is in the amendment.

I doubt if the Senator from Alabama has had an opportunity to study the changes, because he has been in the Chamber constantly, as we all know, during consideration of the bill. I would be perfectly happy to have him continue and explain the amendment, but I reserve the right to offer amendments to his amendment. I believe it is not in accordance with orderly procedure to offer an amendment of the scope of the present amendment without our having an opportunity to see it and familiarize ourselves with it. I do not believe the Senator from Alabama, under reversed circumstances, would be willing to have an amendment of such great length and substance considered without Senators having had an opportunity to see a copy of it up to the time it was read.

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

Mr. SPARKMAN. Let me say this, and then I shall yield. First of all, the circumstances under which I offered the amendment were not of my making. The amendment comes about by reason of the adoption of the Gore amendment earlier today. I am doing my best to salvage some of the wreckage caused by the adoption of that amendment.

The problem was discussed with the legislative counsel, and the amendment was drawn by an expert draftsman upon whom we rely all the time. I explained to him what I wanted to offer and he prepared the amendment. I had several discussions with him at my desk. I am willing to rely upon him, as we rely upon the office of the legislative counsel all the time concerning legislation that we are considering.

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

Mr. SPARKMAN. I yield.

Mr. CAPEHART. The able Senator has stated the situation. In other words, the amendment would more or less undo what the Gore amendment did. That is all there is to it, as I see it.

Mr. SPARKMAN. I would not say it is completely that.

Mr. CAPEHART. It is that, plus perhaps some other things.

Mr. SPARKMAN. There are some changes which I hope will be accepted as a satisfactory compromise.

Mr. CAPEHART. The problem we find ourselves confronting is that three amendments will be proposed to the pending amendment. The Senator from Tennessee tells us he has two amendments to offer. That means five amendments, on which undoubtedly there will be yea-and-nay votes. The question is, Why not recess until Monday, if a great many Senators will not be present tomorrow, and conclude deliberation on the bill on Monday?

Mr. SPARKMAN. I cannot answer that question, because I do not control the situation.

Mr. CAPEHART. Unless we can do that, I shall make a motion to table the amendment. I will not do so at the moment, but when I obtain the floor in my own right, I will make a motion to table the amendment, which I will have a right to do. That will cut off debate.

Mr. SPARKMAN. I assure the Senator that it is not my intention to debate the amendment at length. I did want the opportunity to give a brief, general explanation as to what the amendment proposes. I can give such an explanation, I believe, in a very short time, perhaps 2 or 3 minutes.

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

Mr. SPARKMAN. I yield.

Mr. ERVIN. The Good Lord, when he made men who become Senators, gave them two ways in which to receive knowledge of the contents and meaning of legislation. One is through the ears, and the other is through the eyes. I think that when anything as long as this proposed amendment is presented to the Senate, Senators are entitled to have the use of the two faculties which the

Good Lord gave them for the purpose of receiving information and examining the contents and the meaning of proposals upon which they are called to vote. Therefore I appeal to the Senator from Alabama to join me in appealing to the majority leader and the minority leader to agree to let this matter go over until tomorrow, so we can have printed copies for use by our eyes, as well as our ears.

Mr. SPARKMAN. Of course, that speech was not properly directed to me, because I do not have control of the situation. Even if we should do that, I would still like to continue for a very few minutes to explain what the amendment proposes to do.

The amendment would do two things. It was suggested to me by Senators who voted for the Gore amendment that I offer this amendment. Senators have said to me, "We did not realize that we were striking out that part of the bill providing for the low interest program which I consider as a replacement for public housing, until it was too late. If you will offer an amendment to restore it, we will vote for it." Other Senators have come to me and stated, "If you will make a change in the sales program for moderate income families, we will support such an amendment."

I believe these suggestions were reasonable. I propose to reinstate the low interest rate housing program which is a replacement for public housing, and to have the language of the bill read exactly the way it was pertaining to that program before the Gore amendment.

With reference to the sales housing program a great deal of objection was made, and most of the opposition was on the ground that no downpayment was provided by the bill.

I have added to the amendment the same downpayment requirement that is applicable to the FHA section 203 program; that is 3 percent on the first $13,500, and 10 percent on the remainder, up to $15,000. We must remember that this provision of the bill limited the maximum mortgage under the proposed program to $15,000. Under the amendment a downpayment of $555 would be required on a single family sales unit.

The only thing this amendment does is to retain the same mortgage length that we have in the present section 221 program. That is 40 years. We already have the 40-year program in the FHA section 221 program. I propose that middle-income families be given 40 years during which to pay off a mortgage. It at least would make the monthly payment smaller and give people of moderate income an opportunity to buy good housing at a rate that they could afford to pay. However, the downpayment is exactly the same that the FHA man who buys a $20,000 house, regardless of what his income may be, has to pay.

Certainly, we cannot ask for more, so far as terms are concerned.

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

Mr. SPARKMAN. I yield.

Mr. GORE. Is any downpayment required on the apartment house provision in the bill?

Mr. SPARKMAN. On the rental part?

Mr. GORE. Yes.

Mr. SPARKMAN. Mortgages on rental housing sponsored by nonprofit mortgages would be 100 percent insured.

Mr. GORE. For how long?

Mr. SPARKMAN. For 40 years.

Mr. GORE. Then the Senator has not changed that part.

Mr. SPARKMAN. Not on the apartments, no.

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

Mr. SPARKMAN. I yield.

Mr. GORE. Does the Senator know of any good reason why the Congress should embark upon a program of subsidizing interest rates for people who want to build apartment houses and not do it for people who want to build homes for their families?

Mr. SPARKMAN. The only part of the program that has any kind of subsidy in it is in what we call the below-the-market interest rate rental housing which, as I say, is a replacement for public housing. I have admitted all along that this is a form of subsidized housing, but subsidized only to the extent that the interest rate is 3⅛ percent instead of 5¼ percent, as it would be under other formulas.

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

Mr. SPARKMAN. I yield.

Mr. GORE. This is an extremely far-reaching and, I think, unwise provision. It will be necessary for me to offer an amendment in order to obtain time to discuss this particular provision. I shall not ask the Senator from Alabama to yield further from his time, but shall seek time in my own right. I thank the Senator very much.

Mr. SPARKMAN. That is the situation that we debated this afternoon. I see no reason for debating it at length. I have been trying for a long time to find a substitute for public housing. This program was recommended by both President Eisenhower and President Kennedy as a means of doing that. It does involve a form of subsidy, but only regarding the interest rate, which is certainly a much smaller subsidy than that in the present public housing program. We have provided in the bill for a phasing out of the public housing program as we have known it in the past. I believe it is a good substitute. It is one that we ought to support. As I said today, this is the only part of the bill that offers decent, safe, and sanitary housing for people of lower incomes. If we strike it out, we are making ample provision for people with higher incomes who can afford better houses, but we are denying to people of lower incomes an opportunity to share in good housing.

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

Mr. SPARKMAN. I yield.

Mr. BUSH. The Senator says his proposal is a substitute for public housing; yet a few hours ago the Senator made an eloquent appeal for an additional 100,000 units of public housing.

Mr. SPARKMAN. No. If the Senator had been listening carefully, he would have heard me say that it was a replacement for public housing, which we are phasing out under the bill. That is exactly what we are doing. As I explained today, it may not be as much as 100,000 units. It probably will be around 75,000 units. Be that as it may, that is what is left in the 1949 program. The purpose of the bill is to phase out that part and to try to find some other plan for low-income housing which would be less costly to the Government and more satisfactory to the people and which they can afford.

I think this is the best plan we have developed. It ought to be adopted.

Mr. CAPEHART. Mr. President, since it is now almost 11 o'clock, I think the best way to proceed is to move to table the amendment. If the motion prevails, we are through, and we can vote on the bill. If the motion to table does not prevail, then I have two amendments to the pending amendment, and the able Senator from Tennessee has a couple of amendments.

I see no necessity for voting on these five amendments. I think we could have a test vote on the question by a motion to table. If the motion to table is agreed to, that means the bill will be accepted as we wrote it today, meaning that we would accept the Gore amendment and other amendments, and then the committee bill as amended.

Therefore, I move that the amendment offered by the Senator from Alabama be tabled. On this question, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays will not be in order, except by unanimous consent, until all time has been yielded back.

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

Mr. SPARKMAN. I yield back the rest of my time.

The PRESIDING OFFICER. All time has been yielded back. The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [McCARTHY], the Senator from Montana [Mr. METCALF], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Minnesota [Mr. McCARTHY] is paired with

the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Montana [Mr. METCALF] is paired with the Senator from Vermont [Mr. AIKEN]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Vermont would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], is absent on official business.

I also announce that the Senator from Vermont [Mr. AIKEN], the Senator from Colorado [Mr. ALLOTT], the Senator from Kentucky [Mr. MORTON], and the Senator from Massachusetts [Mr. SALTONSTALL] are detained on official business.

I further announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

On this vote, the Senator from Vermont [Mr. AIKEN] is paired with the Senator from Montana [Mr. METCALF]. If present and voting, the Senator from Vermont would vote "yea," and the Senator from Montana would vote "nay."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Kentucky [Mr. MORTON] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from New Mexico would vote "nay." If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 42, nays 46, as follows:

[No. 72]

YEAS—42

Beall	Ellender	Mundt
Bennett	Ervin	Prouty
Bush	Gore	Robertson
Butler	Hickenlooper	Russell
Byrd, Va.	Holland	Schoeppel
Capehart	Hruska	Scott
Carlson	Jordan	Smathers
Case, S. Dak.	Keating	Smith, Maine
Cooper	Kerr	Stennis
Cotton	Kuchel	Talmadge
Curtis	Lausche	Thurmond
Dirksen	McClellan	Wiley
Dworshak	Miller	Williams, Del.
Eastland	Monroney	Young, N. Dak.

NAYS—46

Bartlett	Hart	McNamara
Bible	Hartke	Morse
Boggs	Hayden	Moss
Burdick	Hickey	Muskie
Byrd, W. Va.	Hill	Pastore
Cannon	Humphrey	Pell
Carroll	Jackson	Proxmire
Case, N.J.	Javits	Randolph
Church	Johnston	Smith, Mass.
Clark	Kefauver	Sparkman
Dodd	Long, Mo.	Symington
Douglas	Long, Hawaii	Williams, N.J.
Engle	Long, La.	Yarborough
Fong	Magnuson	Young, Ohio
Fulbright	Mansfield	
Gruening	McGee	

NOT VOTING—12

Aiken	Bridges	Metcalf
Allott	Chavez	Morton
Anderson	Goldwater	Neuberger
Blakley	McCarthy	Saltonstall

So Mr. CAPEHART's motion to lay the Sparkman amendment on the table was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Alabama [Mr. SPARKMAN].

Mr. BUSH. Mr. President——

The PRESIDING OFFICER. No further debate on the amendment is in order, for both sides have yielded back the remainder of the time available to them.

Mr. BUSH. Mr. President, to the pending amendment of the Senator from Alabama, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

Mr. BUSH. Mr. President, I ask unanimous consent that my amendment to the Sparkman amendment be printed at this point in the RECORD, but not be read at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment offered by Mr. BUSH to Mr. SPARKMAN's amendment is as follows:

In the amendment made by paragraph (6) of section 101 strike out "low and moderate income families or".

In the amendment made by paragraph (12) of section 101 strike out "low and moderate income families" and insert in lieu thereof "families displaced from urban renewal areas or as a result of Government action".

In the amendment made by paragraph (12) of section 101 strike out "No" and insert in lieu thereof the following: "No mortgage shall be insured under subsection (d) (3) of this section unless it is a mortgage covering property which the Commissioner finds will assist in the provision of housing for families displaced from urban renewal areas or as a result of governmental action, and no".

Mr. BUSH. Mr. President, I can explain this proposal in 1 minute; and, for that purpose, I yield myself 3 minutes. [Laughter.]

Part I of the bill relates to housing for displaced families and moderate-income families. There are three parts to part I. They provide for the market rate for sales housing, the market rate for rental housing, and the below-market rate—the so-called subsidized rate, the 3⅛-percent rate—for rental housing for displaced families or families of so-called moderate income.

As I have said, the first two parts deal with sales housing and rental housing programs, on which the mortgage interest rates are supposed to be the market rates—that is to say, the rates which private capital would find attractive. Hence, this would avoid the necessity of FNMA financing. The mortgages would sell in the open market at going rates. The maximum rate under the bill is set at 5 percent; but the Commissioner has discretion to go to 6 percent, if necessary, to find markets.

However, the third part is for the so-called rental housing program at a subsidized rate of 3⅛ percent, which FNMA would presumably underwrite.

All have proclaimed—no one has protested against it—the fact that FNMA would have to buy all the mortgages which were insured at the 3⅛-percent rate.

My amendment to the Sparkman amendment is directed at the below-market-rate part of this program. It would confine the benefit of the subsidized interest rate to families displaced by urban renewal or other governmental activities. That is the purpose of my amendment to the Sparkman amendment; namely, to confine it simply to families which have been displaced by governmental action, through urban renewal action or through highways going through the property, whatever it was; if governmental action caused the displacement, the subsidized rate would be available to the persons so displaced; and my amendment to the Sparkman amendment would confine it entirely to them. That is the whole purpose of my amendment to the Sparkman amendment.

When the Government is responsible for removing families, for taking their property against their will—and frequently it is taken against their will—the Government has some responsibility, and the subsidized, submarket rate may be justified.

But I see no justification for it beyond that; and the purpose of my amendment to the Sparkman amendment is to confine it strictly to families displaced by urban renewal projects or other governmental action.

Mr. SPARKMAN. Mr. President, I shall be very brief. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, the amendment of the Senator from Connecticut [Mr. BUSH] to my amendment would limit this type of housing to low-income people only.

It is to be remembered that there are two different types of this housing. One is the below-market interest rate. That is the housing to which I referred as being a replacement for public housing.

There is another type of housing; namely, that which pays the standard FHA rate. Although the law provides 5 percent to 6 percent, we know that the present FHA rate is 5¼ percent; and that is what this housing would carry.

I do not see why we should restrict that type of housing, as to which the regular FHA rates are paid, to displaced persons. A great many persons would be able to afford this type of housing if it were spread out over the term for which this provides, and people in the low income and moderate income brackets——

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

Mr. SPARKMAN. I yield.

Mr. BUSH. My amendment applies only to the below-market-rate section of the bill. It does not apply to the rental housing or the sales housing.

Mr. SPARKMAN. The Senator from Connecticut brought into the debate the 5 percent to 6 percent interest rate, and that is the above-market interest rate. So I thought the Senator from Connecticut was referring to the two types.

Mr. BUSH. No. My amendment does not relate to the first two parts of the bill, which are those for the sales housing and the rental housing programs, for which the rates are supposed to be the going market rates. The amendment does not relate to them; it relates only to part 3 of title I.

Mr. SPARKMAN. If that is what the Senator from Connecticut seeks to do, the amendment would restrict it to displaced families.

Mr. BUSH. That is correct.

Mr. SPARKMAN. Whereas, as I have stated here repeatedly, we want it as a replacement for public housing, so that families of low income who cannot afford to pay an economic rent may be able to enjoy decent housing. The Senator's amendment to my amendment would destroy the very thing we are trying to do. The present section 221 program is for the purpose of taking care of displaced persons; and it could be used for this purpose.

What we are trying to do is to provide something that will serve to give decent shelter to people who are not able to pay economic rents, without having the extremely high subsidy rates which the program of public housing requires.

Mr. President, I see no need to discuss the matter further. I am willing to yield back the remainder of the time available to me, and to have the Senate proceed to vote.

Mr. BUSH. Mr. President, on the question of agreeing to my amendment to the Sparkman amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I shall yield back the remainder of the time available to me, if the Senator from Connecticut will do likewise.

Mr. CAPEHART. Mr. President, will the Senator from Connecticut yield some time to me?

Mr. BUSH. I yield 2 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 2 minutes.

Mr. CAPEHART. Is it not a fact that we are providing that any house which sells for not to exceed $15,000 shall be given these subsidized, low-interest rates? Is that correct?

Mr. SPARKMAN. I am not sure I understand the Senator's question.

Mr. CAPEHART. Are not we saying, in substance, that one can purchase on the new terms a house which will cost not to exceed $15,000?

Mr. SPARKMAN. Let us be careful, and not confuse rental housing with sales housing. This provision does not deal with sales housing; it deals with rental housing.

Mr. CAPEHART. But my point is that a house of a value up to $15,000 is covered in the amendment by the low interest rate and the 40-year, no-down-payment terms. Is that correct?

Mr. SPARKMAN. That is correct; but the amendment of the Senator from Connecticut does not go that far. It affects only the below-the-market interest rate rental housing program.

Mr. BUSH. Below the market rate.

Mr. SPARKMAN. Below-the-market rate on rental housing.

Mr. BUSH. That is correct.

Mr. CAPEHART. And the amendment would be to eliminate the below-market interest rate?

Mr. SPARKMAN. No; it would restrict the occupancy of those houses to people who are displaced by reason of governmental action.

Mr. CAPEHART. And give them below-market interest rates.

Mr. SPARKMAN. My contention is that the 221 program already provides for displaced persons. What we are trying to do is provide replacement for public housing.

Mr. CAPEHART. My next question is, What does the amendment of the Senator from Alabama do?

Mr. SPARKMAN. My amendment, as I explained a while ago, does two things. First of all, it seeks to reinstate the below-market-rate rental program.

Mr. CAPEHART. To which person?

Mr. SPARKMAN. On rental housing, to people who are not able to pay an economic rent.

Mr. CAPEHART. Who is to build the housing?

Mr. SPARKMAN. It is to be built by private enterprise.

Mr. CAPEHART. But private housing is to get below-market interest rates subsidized?

Mr. SPARKMAN. So that easy monthly terms, on a nonprofit basis, can be available.

Mr. CAPEHART. There is nothing in the bill that specifies the rent; is there?

Mr. SPARKMAN. I submit the Commissioner is given the right to control rents. That provision is in the present law, to which this proposal is an amendment.

Mr. CAPEHART. What is it we are trying to do that we have not been doing under the old public housing law?

Mr. SPARKMAN. The old public housing law said, in effect, to the cities, "First of all, we will help you dispose of your funds. We will more or less underwrite the disposition of your bonds. Second, you collect what rent these people are able to pay, and what that lacks in measuring up to an economic rent, we will subsidize."

Mr. CAPEHART. How is the Senator subsidizing under his amendment?

Mr. SPARKMAN. Simply by letting the low interest rate be in effect, which may be as low as 3⅛ percent.

Mr. CAPEHART. That means the Federal Government will be lending money directly out of the Treasury on all construction, under the Senator's amendment.

Mr. SPARKMAN. No. If the money cannot be obtained on the open market, FNMA takes the mortgage.

Mr. CAPEHART. That is the Government. An interest rate of 3⅝ percent is not going to be taken when an interest rate of from 5¼ up to 5¾ percent can be obtained on regular FHA loans. Is it not a fact that, as a practical matter, the Federal Government will be lending money to build the houses we are talking about?

Mr. SPARKMAN. I am not at all certain that is true. This will be special assistance, and the Federal National Mortgage Association will have the funds with which to back up the mortgages.

Mr. CAPEHART. Then the only subsidization is in the interest rates, with the long term?

Mr. BUSH. Mr. President, I could hardly agree that the only subsidy is in the low interest rate. It is also in the fact that the mortgage is assumed by the Federal Government.

Mr. SPARKMAN. If that is true, it could be said that all our housing programs are in essence subsidized, but we do not talk about that. I never hear that said with reference to the regular FHA program, and yet FNMA was created for the purpose of establishing a secondary market, and often a primary market, for the mortgages.

Mr. BUSH. It has become the depository of $7 billion worth of mortgages.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. ERVIN. What is there in the Senator's amendment which would make certain that the builder of the rental housing would pass the saving on interest rates to the occupants?

Mr. SPARKMAN. In the law as it exists now, the Commissioner has the authority to control rents, and he does control rents.

Mr. ERVIN. Is not this the way the amendment would work: The builder of the rental housing would, in effect, be subsidized by the taxpayers on the interest rate for 40 years, and the occupant, the person who rented, would pay rent for 40 years, and at the end of 40 years the owner would still own the house in fee simple, and the person who paid the rent for 40 years would have nothing but rent receipts?

Mr. SPARKMAN. That is true of anyone who pays rent; he has nothing but rent receipts.

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

Mr. SPARKMAN. I yield.

Mr. MONRONEY. Several years ago there were some major scandals under title 9 of the Housing Act when builders inflated their costs on apartment-type buildings.

Can a builder with a site put the site in at what he thinks it is worth, build

the property himself, and then receive a 100-percent mortgage, and completely mortgage out on this operation?

Mr. SPARKMAN. That was true under the 608 program. The Senator referred to title 9. I think he had reference to the 608 program. We have written into the bill that, under no condition, can the builder mortgage the house for more than the cost of the building.

Mr. MONRONEY. How does one know what the cost of the buliding is?

Mr. SPARKMAN. The builder must certify the cost.

Mr. MONRONEY. Suppose the builder bought the land 5 or 10 years ago. Who is to determine the cost?

Mr. SPARKMAN. The Senator knows that is always a problem. It would be something for determination as between the builder and the housing agency—exactly as is the case now.

Mr. MONRONEY. This is a 100-percent mortgage.

Mr. SPARKMAN. There are several 100-percent mortgage programs already on the books.

Mr. MONRONEY. For elderly housing or eleemosynary housing, yes.

Mr. SPARKMAN. There are 100-percent mortgages on many different types of houses.

Mr. MONRONEY. On what types?

Mr. SPARKMAN. On section 213 types.

Mr. MONRONEY. Loans under this provision could run to $1 million, $500,000, or $10 million.

Mr. SPARKMAN. Yes.

Mr. MONRONEY. I wonder what safeguards there are, with 100-percent mortgages and subsidized interest rates of 3⅛ percent, picked up entirely by the Federal Government, but with no controls. What security is there behind the 100-percent mortgage that we are subsidizing on a 40-year payout, at an interest rate of 3⅛ percent?

Mr. SPARKMAN. We have provided that there cannot be a borrowing of more than the cost. We adopted the amendment of the Senator from Virginia, which positively requires the keeping of records and making those records available to the General Accounting Office.

Mr. MONRONEY. Is a builder's or supervisory or contracting profit allowed? Is the cost the cost of bricks, mortar, land, tin, and gravel, or is there a profit, and if so, how much, on the 100-percent mortgage, subsidized low interest rate?

Mr. SPARKMAN. Under the program, this building is to be done by nonprofit organizations.

Mr. MONRONEY. But there is no control over the salaries to be paid to presidents, vice presidents, secretaries, and treasurers of those organizations.

Mr. SPARKMAN. The Senator knows it is subject to approval by the housing agency.

As I said a few minutes ago, overall review of this program is the responsibility of the General Accounting Office. I do not see how we can go further than that.

Mr. MONRONEY. We have seen the military committees of both Houses cancel out Capehart housing, which was subject to military and governmental inspection. I know of no inspection which would be as severe as that, yet when we open up the 100-percent mortgage with the 3⅛-percent interest which is to be allowed, I do not see what safeguards are to be provided.

Mr. SPARKMAN. Will the Senator refer back——

Mr. MONRONEY. These projects will be from $1 million to $10 million in cost.

Mr. SPARKMAN. Let me say to the Senator from Oklahoma that following the section 608 disclosures, Congress wrote into the law in 1954 the cost certification requirements. We have had those ever since. We wrote into the pending bill a further stipulation that it would be necessary to keep records, that the records must be available for the General Accounting Office.

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

Mr. SPARKMAN. I yield to the Senator from Virginia.

Mr. ROBERTSON. The Gore amendment struck out all of title I.

Mr. SPARKMAN. The Senator is correct.

Mr. ROBERTSON. The Senator would put back in the bill all of title I except, in regard to the sales section, to provide for an FHA 3-percent mortgage.

Mr. SPARKMAN. Three percent, up to the limit.

Mr. ROBERTSON. That is all the Senator's amendment would do?

Mr. SPARKMAN. That is correct.

Mr. ROBERTSON. It provides for 3 percent?

Mr. SPARKMAN. To be accurate, there is a limit.

Mr. ROBERTSON. There was a technical amendment. The amendment was to another section, which was the no-downpayment section. The Senator took that out, and made the downpayment the FHA provision.

Mr. SPARKMAN. The regular FHA schedule.

Mr. ROBERTSON. That is correct; there was a technical change.

Mr. SPARKMAN. It is 3 percent up to $13,500.

Mr. ROBERTSON. The Senator from Connecticut has referred to rental housing which, under the present law, would have the 5¼-percent rate. The Senator would drop it as low as 3⅛ percent, but that would be restricted to those people who have been forcibly moved.

Mr. SPARKMAN. That is correct. That is the purpose of the amendment. I say it would not serve its purpose if it were restricted to that group, a group already protected by the regular 221 program.

Mr. MONRONEY. Would the Senator give me the answer to my question as to the percentage of management profit?

Mr. SPARKMAN. There is no profit. It would be a nonprofit organization.

Mr. MONRONEY. Does the Senator mean the builder would receive nothing for his skill or for his management? That sounds quite contrary to general building practice.

Mr. SPARKMAN. Certainly the individual would be paid. So far as the overall profit for the corporation is concerned, there would be none.

Mr. MONRONEY. I know. The corporation would take over the completed structure after the contractor built it. I should like to know what the builder's profit would be, under the 100-percent mortgage with the subsidized interest rate. I think the Senate is entitled to know that.

Mr. SPARKMAN. It would be exactly what is allowed in housing today.

Mr. MONRONEY. What is that?

Mr. SPARKMAN. It has been the same since 1954, when the cost-certification requirement was written into the law.

Mr. MONRONEY. What is that?

Mr. SPARKMAN. I cannot give it offhand. I shall be glad to supply the Senator with a memorandum which will explain the requirement.

Mr. MONRONEY. Am I correct in understanding that it is approximately 10 percent?

Mr. SPARKMAN. At one time it was a flat 10 percent. I am sorry I cannot give that information exactly because I am not sure what the current allowance is.

Mr. MONRONEY. I am seeking information for the Senate. I think it is important.

The projects, in practice, will be originated by a contractor, who will secure a site. He will negotiate with an eleemosynary group or a charitable group, to which he will say, "I will build you a million-dollar appartment. You can rent it. I will furnish the apartment in a 'turnkey' job."

The builder is covered with a 100-percent mortgage. When he turns the project over and it is accepted, the builder will receive 10 percent of a million dollars, perhaps. I ask, What is the builder's profit—the profit for the man who originates the project, who sponsors it and puts it together into a cooperative or whatever it is called? What is the builder's profit? Will it be 10 percent on a million dollars?

Mr. SPARKMAN. If I can find the formula, I shall give it to the Senator, if he will allow me a minute to find it in the law.

Mr. MONRONEY. It is stated in the law?

Mr. SPARKMAN. It is stated in the law, and has been since 1954.

Mr. MONRONEY. This would open the door with 100-percent Government insurance and 3⅛-percent interest.

Mr. SPARKMAN. There has not been any difficulty in the other programs. Why should there be for this program?

Mr. MONRONEY. The other programs have not been so liberal. There has not been a profit of 10 percent on million-dollar apartments, with 3⅛-percent interest. That is why we will have trouble.

Mr. BUSH. Mr. President, I should like to make one or two additional remarks.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. BUSH. This all started with the people who were being displaced by Government action to make way for urban renewal projects or highway projects. One of the great problems the cities have had is finding substitute housing for such people. This has been one of the great handicaps of the urban renewal program from its inception. It is today.

From what I have learned from the hearings on the Housing Subcommittee, that was the real purpose of the proposal, at the outset, at least; to try to make arrangements for people actually forced from their homes by Government action in some reasonable way at a subsidized rate, as a compensation to them for having lost their homes. That was the original purpose. Now it has been expanded to apply to all moderate-income families.

Mr. President, there is no definition in the bill as to what is a moderate-income family. So far as I can tell, the subsidized rate will therefore become available to anyone who applies for it.

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

Mr. BUSH. I yield.

Mr. GORE. Because of this very fact this cannot be and is not supposed to be a substitute for public housing. Public housing is for the low-income group, is it not?

Mr. BUSH. I believe the Senator is correct. The provision can be taken advantage of by anybody, because there is no definition of a moderate-income family.

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

Mr. BUSH. I yield.

Mr. GORE. Lest the Senate understand this to refer to a nonprofit transaction, I ask Senators to turn to page 97 of the committee report, where they will find that the loans can be made to nonprofit organizations, but also to limited dividend corporations. The report does not say what the limit is. It could be 25 percent a year.

Mr. BUSH. That is correct.

Mr. GORE. For such cooperatives.

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

Mr. BUSH. I shall be glad to yield if the Senator from Pennsylvania will give us a definition of a limited dividend corporation.

Mr. CLARK. I was about to say that under the laws, certainly of New York and a number of other States, the term "limited dividend corporation" is a term of art. What the dividend will be is written into the law and it is usually no more than 6 percent. It would be impossible to have a 25-percent profit. That is out of the question.

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

Mr. BUSH. I yield to the Senator from Tennessee.

Mr. GORE. We are not writing legislation for the State of New York. This is to be a law for the U.S. Government. I know of no instance in which these terms are defined.

The language is not restricted to nonprofit corporations. Indeed, it is specifically spelled out that there can be a profit organization. Furthermore, the 40-year guarantee, at 100 percent, is one subsidy, and then we are asked to subsidize the interest rate, also.

Mr. BUSH. The Senator is correct.

Mr. GORE. This means there will be a much more rapid payout than for a homeowner's loan of 40 years.

Mr. BUSH. That is correct.

Mr. GORE. I ask for no more time.

Mr. BUSH. The Senator has made the very point I wished to make about the limited dividend corporation. I am not sure what that is, but certainly it is a corporation which is going to pay dividends.

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

Mr. BUSH. I yield to the Senator from Ohio.

Mr. LAUSCHE. We have received the definition of what is a limited dividend corporation. What, under the law, is the definition of a "moderate-income family."

Mr. BUSH. Mr. President, I have said, and I say again, that there is no definition in the bill of a "moderate-income family."

Mr. LAUSCHE. What does the term mean?

Mr. BUSH. It is a wide-open term, upon which anyone may put whatever interpretation he wishes.

Mr. LAUSCHE. I ask the Senator from Alabama if it is a fact that in the bill there is no definition of a "moderate-income family."

Mr. BUSH. In the Javits amendment, which I cosponsored, there was a definition. The amendment was defeated. There is no definition in the bill of "moderate-income family," so no one could tell what such a family would be. Presumably it is a family whose income is sufficiently high so that it would not qualify for public housing admissions. I understand that is at least a partial definition of "moderate-income family," but beyond that definition there is none, and even that definition is not in the bill.

Mr. LAUSCHE. Upon what ground is the judgment of the Senator from Connecticut formed that the term presumably covers those who are not eligible for public housing?

Mr. BUSH. I get it only from discussions in the Committee on Banking and Currency. But the term is not defined in the bill.

Mr. LAUSCHE. It is not in the bill?

Mr. BUSH. No.

Mr. LAUSCHE. I ask the Senator from Alabama whether there is any definition in the bill of a "moderate-income family."

Mr. SPARKMAN. Mr. President, will the Senator yield for the purpose of answering the question?

Mr. BUSH. I yield for that purpose.

Mr. SPARKMAN. I believe the Senator from Ohio recognizes the fact that we cannot spell out every term in the bill. At the committee hearings we asked the Commissioner about that subject, and there was considerable discussion. It was stated that regulations would be written by the Commissioner which would determine those who would be covered. For example, there was a time when we wrote out definitely in the law the standard for occupancy of public housing. The ratio was 5-to-1, I believe. That ratio was found to be lacking in flexibility to the extent that it was not workable, and Congress repealed it. For example, what is applicable to a man and his wife—merely a couple—would not be applicable perhaps to a man and his wife and a half dozen children. Standards would vary according to circumstances. We felt that instead of trying to spell out such details in the law, as one time we did try to do, we would leave out the definition and let the Commissioner write the regulations as he said he would do.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. BUSH. Mr. President, I believe I have the floor. I will reserve the remainder of my time.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield to the Senator from Florida.

Mr. HOLLAND. Of course, we do not have a copy of the pending amendment, but we have the report of the committee. On page 97 appear the various groups which are qualified to participate in the program at below market rates. They are stated to be "nonprofit organizations, limited dividend corporations, public bodies or agencies, or cooperatives."

Does the last term, "cooperatives," mean a group of families that were held to be moderate-income families under whatever regulation may be issued, that would have the right to form a corporation and to borrow money at the limited interest rate of 3⅛ percent?

Mr. BUSH. I presume so.

Mr. HOLLAND. Each of the families would own one of the apartments in the cooperative apartment?

Mr. BUSH. Yes; the bill would permit that procedure.

Mr. HOLLAND. The saving below the regular commercial rate to those families would be the difference between 3⅛ percent and 5¼ percent?

Mr. BUSH. As of today.

Mr. HOLLAND. Or 2⅛ percent per year?

Mr. BUSH. The Senator is correct.

Mr. HOLLAND. For 40 years that difference would continue to pile up?

Mr. BUSH. Assuming that the 5¼ percent would last for 40 years, the differential would be as the Senator from Florida stated.

Mr. HOLLAND. That situation would continue regardless of whether the family continued to be a moderate-income family?

Mr. BUSH. I believe that is correct. The question illustrates one of the ridiculous features of the pending measure, and is the reason I asked to amend the bill. My amendment would come to grips with that problem by merely directing the provision of the bill to those who were displaced by Government action.

Mr. President, I believe I have explained my amendment, and I am ready to vote.

Mr. CLARK. Mr. President, will the Senator from Alabama yield me 2 minutes?

Mr. SPARKMAN. I yield the Senator from Pennsylvania 2 minutes.

Mr. CLARK. I believe it is very important to understand what we are talking about. I wish to make two points. If Senators will turn to page 4 of the committee report, they will see all the definition that anyone would need to have with respect to a moderate-income family, so that we can know exactly what we are talking about. I read the definition:

> The largest unfilled demand in the housing market is that of moderate-income families. The most recent figures on this subject show that there are some 11.2 million families with incomes between $4,000 and $6,000. This means that one out of every four families in the United States falls in this category, which is an indication of the importance of this group in the housing market.

A definition of "the moderate-income family" is laid right out in the record. The term applies to families who have incomes between $4,000 and $6,000 a year. Let us not deceive ourselves. Those are the people we are talking about. Every member of the committee knows it, and everyone in the FHA knows it. Those are the people we are talking about. We did not put the definition in the bill because we did not want to restrict the Administrator. He might wish to go up to $6,500 or $7,000; or he might wish to go down to $3,500. The people we are talking about are 11 million families who cannot obtain decent rental or sales housing.

In respect to point 2, on page 97 of the report, which the Senator from Florida has quoted, it is stated:

> (1) Eligible mortgagors participating in the program bearing interest at "below market rate" must be nonprofit organizations, limited dividend corporations—

Let us not deceive ourselves. That term is defined by every State in the country that has a limited dividend corporation law, and it is nothing more than a 6-percent profit—

> public bodies, agencies, or cooperatives.

These are not people who are in the business to make a "fast buck." These are not people who are in the business to make a fast profit. These are people whom we hope will build the kind of house which will be a pretty good substitute for public housing if the plan works. All I say is that this is the thing we are talking about. Let us not tell ourselves that we are talking about anything else.

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, it is an imposition upon Senators to detain them at this hour, but this question is important. This is about the only opportunity I have seen in years for a large group of families in the country to get anywhere. If we are to do what the Senator from Connecticut chooses to do with respect to the bill, we can forget about its having any effect whatever upon moderate-income families. The only hope for moderate-income families is a low interest rate. We have a part of that plan in New York. The Senate did not see fit to accept my amendment. I think perhaps the Senate may be a little sorry tonight that it did not do so, because it was a much more practical scheme than anything we are fooling with now. But be that as it may, the bill still preserves the only principle upon which we can operate with respect to a moderate-income family—a low-interest rate.

I see very little opportunity for doing anything else except exactly what the Senator from Alabama proposes, and I think undoubtedly it will be refined in conference. What I have to say goes for every Senator who comes from a State with a heavy concentration of population. We are really almost duty-bound to those families, for whom nothing has been done in housing legislation for years, to seize this one opportunity to do something for them. I very much hope that all the amendments will be voted down and that the main point will be voted up. That is the only way I can see to get on with the central point which must be established.

Mr. SPARKMAN. Mr. President, I am happy to yield back the remainder of my time.

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

The PRESIDING OFFICER. The question is on the amendment of the Senator from Connecticut. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. AIKEN (when his name was called). On this vote I have a pair with the junior Senator from Montana [Mr. METCALF]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MORTON (after having voted in the affirmative). On this vote I have voted "yea." I have a pair with the Senator from Minnesota [Mr. MCCARTHY]. However I have transferred that pair to the Senator from Arizona [Mr. GOLDWATER]. I still vote "yea."

Mr. AIKEN (after having announced a pair with the junior Senator from Montana [Mr. METCALF]). Mr. President, the junior Senator from Montana having arrived in the Chamber, I cancel the pair that I announced with him. I therefore vote on the amendment, and this time I vote "yea."

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Oregon [Mrs. NEUBERGER], are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY], is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Nebraska would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Minnesota would vote "nay" and the Senator from Arizona would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from Colorado would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Nebraska [Mr. HRUSKA], are absent on official business.

I also announce that the Senator from Colorado [Mr. ALLOTT], is detained on official business.

I further announce that the Senator from Arizona [Mr. GOLDWATER], is necessarily absent.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Colorado would vote "yea" and the Senator from Oregon would vote "yea."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from New Mexico would vote "nay."

The result was announced—yeas 45, nays 46, as follows:

[No. 73]

YEAS—45

Aiken	Dworshak	Mundt
Beall	Eastland	Prouty
Bennett	Ervin	Robertson
Boggs	Fulbright	Russell
Bush	Gore	Saltonstall
Butler	Hickenlooper	Schoeppel
Byrd, Va.	Holland	Scott
Cannon	Jordan	Smathers
Capehart	Keating	Smith, Maine
Carlson	Kuchel	Stennis
Case, S. Dak.	Lausche	Talmadge
Cooper	McClellan	Thurmond
Cotton	Miller	Wiley
Curtis	Monroney	Williams, Del.
Dirksen	Morton	Young, N. Dak.

NAYS—46

Bartlett	Hayden	Metcalf
Bible	Hickey	Morse
Burdick	Hill	Moss
Byrd, W. Va.	Humphrey	Muskie
Carroll	Jackson	Pastore
Case, N.J.	Javits	Pell
Church	Johnston	Proxmire
Clark	Kefauver	Randolph
Dodd	Kerr	Smith, Mass.
Douglas	Long, Mo.	Sparkman
Ellender	Long, Hawaii	Symington
Engle	Long, La.	Williams, N.J.
Fong	Magnuson	Yarborough
Gruening	Mansfield	Young, Ohio
Hart	McGee	
Hartke	McNamara	

NOT VOTING—9

Allott	Bridges	Hruska
Anderson	Chavez	McCarthy
Blakley	Goldwater	Neuberger

So, Mr. BUSH's amendment to Mr. SPARKMAN's amendment was rejected.

Mr. GORE. Mr. President, I offer my amendment which is at the desk, and I ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 8, line 8, it is proposed to stirke out "forty" and insert in lieu thereof "thirty."

Mr. GORE. Mr. President, as I have studied the amendment of the distinguished junior Senator from Alabama, the only essential change that is accomplished is to require a 3-percent downpayment on the part of FHA individual home loan guarantees for houses costing up to $13,500. This would require a downpayment of $300. No change whatever is made by the Sparkman amendment in the term of the loan, which is guaranteed, or would be guaranteed, either in the home loan guarantees or in the apartment house guarantees. Both are for 40 years. The apartment house loans are guaranteed 100 percent. The individual home mortgages are guaranteed for 40 years at 97 percent.

If Senators will look at the table on page 927 of the hearings, I shall call to their attention some interesting facts. I have undertaken, with the aid of my administrative assistant, to calculate what the payments would be over a 40-year period and what the equity would be with a $300 downpayment on a $10,000 house. I should like to state, beginning with the 12th year, the estimates of book equity. Beginning with the 12th year, there would be a book equity of approximately $800. Then the equity declines through the 19th year, both under the $300 downpayment plan and by the plan originally offered.

In the 13th year, the book equity would be $780. Skipping to the 19th year it would be $660. This is after a little $10,000 house has suffered the weather and the wear for 19 years.

The man who owned the house, if he were still there, would have a book equity of some $600. Meanwhile, the 20-year composition shingles might have deteriorated; the water heater might have run its course; there might be some plumbing trouble. Indeed, the owner might be far better off to seek to purchase another house.

The 40-year provision is utterly impractical. In my opinion, this is a margin toward which we cannot reach and have reasonable amortization. Two and one-half times 40 is 100.

I call attention to one other factor. What is the payment now at 5¼-percent interest, not counting the discount, that a homeowner must make if he builds a $20,000 house? His monthly payments, in addition to the discount he pays now, at 5¼ percent, is $110, or thereabouts. If the individual homeowner were given the same subsidized interest rate which the amendment proposes to give to the people who build an apartment house, his monthly payment would be $85. In other words, if the individual homeowner who has a $20,000 house for his family were treated in the way the amendment proposes to treat the people who will build apartment houses, without limit on scale or number of individual apartments in it, the individual homeowner would be saved $25 a month. Yet the bill is proposed to help poor people.

The distinguished Senator from Alabama has repeatedly said on the floor of the Senate that apartment house units are supposed to be substitutes for public housing. I respectfully challenge that statement. The report does not say it is so intended. The bill provides for middle-income people, not low-income people.

If there were to be subsidization of interest, if I had my choice, I would make it more in the homeowner, not the apartment house owner.

It is said that this is a nonprofit organization. What is a nonprofit organization? Some handsome salaries can be paid to the partners of a nonprofit organization, and still the apartment will show no particular profit.

This is an unsound proposal in both respects. If we start on a program of subsidizing interest on FHA guaranteed mortgages, where, I ask, will it end? Does any Senator seriously contemplate that for long we will be confining subsidized interest rates on FHA guaranteed mortgages to the owners of apartment houses? Let us think about giving a 100 percent guarantee for 40 years.

We have had a very successful FHA program. It has made homeowners of millions of American people, and I am proud of it. Few programs, if any, that our Nation has had in the past quarter of a century have more greatly strengthened the Nation and its way of life. In that respect, the program to encourage the American people to become homeowners has been outstanding.

I say to the Senate that the program of a 40-year guarantee, with only a $300 downpayment, is not a financial incentive for homeownership; and if Senators will examine the tables, I believe they will see how utterly impractical it is. The equity actually reduces from the 12th year to the 19th year.

I have owned a few small pieces of property, as have other Senators. Let us assume that roofing that is guaranteed for 20 years is used; that is as long a guarantee as I have ever been able to obtain, and one pays a very high price for such a guarantee, and generally repairs on the roof are required before that time has expired.

Mr. ERVIN. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. PELL in the chair). Does the Senator from Tennessee yield to the Senator from North Carolina?

Mr. GORE. I yield.

Mr. ERVIN. Assuming that a person acquired one of these sales houses and paid 5¼ percent for 40 years——

Mr. GORE. What is the question?

Mr. ERVIN. Assuming that the prospective rate of interest for one who was acquiring a home under FHA continued at 5¼-percent interest a year, and that one who was building one of these apartment houses got the benefit of the rate of 3⅛ percent a year, and that the payments continued for 40 years instead of being amortized, then the one who was acquiring the home would have to pay 2⅛ percent more interest a year; and over a period of 40 years that would amount to 85 percent of the cost. In such case, the one who built the apartment house would receive, over the period of 40 years, 85 percent of his total cost by reason of the interest subsidy. So, on this hypothesis, all he would put out over the 40-year period, for the construction of the apartment house, would be 15 percent of its cost.

At the end of the 40 years, having had the advantage of 85 percent subsidized interest from the taxpayers, he would pay out only 15 percent of the cost; and he would retain all the rents he had collected, except such as he might have spent for the maintenance of the building.

It seems to me this is a plan to enrich at the expense of the taxpayers, those who would embark on the building of apartment houses, while the plan would penalize the individual homeowners, over the same period of time, by requiring them to pay 85 percent more interest.

Mr. GORE. I would agree, except in 3 instances: First, the apartment-house builder would not have to put up anything; he would be guaranteed 100 percent for 40 years. A company could be organized, and could get a loan of 100 percent, to build an apartment house.

Second, this 3⅛-percent rate is not fixed. If interest rates were to go down, this rate might go down to 2⅞ percent. This is not a minimum; it is not fixed. It relates to the going rate of interest on outstanding Government obligations.

Third, the bill provides that FHA interest rates on the individual homeowner may go as high as 6 percent.

So, with those 3 exceptions, I would agree with the Senator's statement.

Mr. President, I reserve the remainder of the time available to me.

Mr. ROBERTSON. Mr. President, will the Senator from Tennessee yield to me time in which I can support his amendment and also make some comments on the bill?

Mr. GORE. I will.

Mr. HUMPHREY. Mr. President, I wish to obtain some clarification. Does the Senator's amendment apply to rental housing or to sales housing?

Mr. GORE. My amendment applies to sales housing.

Mr. HUMPHREY. But has not the Senator been speaking, in the main, about rental housing of the nonprofit type—apartment houses of that type and of the limited dividend type?

Mr. GORE. That is contained in the Sparkman amendment.

Mr. HUMPHREY. But at this point in the debate—if my knowledge of the bill is accurate—does not that amendment apply only to sales housing?

The Senator used the example of a $10,000 house at 5½-percent interest, and then he drew the line as to what would be the equity in 12 years and what would be the equity in 19 years—but without any regard to what would hap-

pen to property values, assuming no inflation and assuming no increase in the value of property.

Mr. GORE. Or no decrease.

Mr. HUMPHREY. But for at least the last 20 years—within this generation—the trend has been a substantial increase in values. Many a Member of this body bought a house, 15 or 20 years ago, as a home, and later sold it for twice or three times what he bought it for. I do not say that trend will continue; but I say that when one uses a hypothetical—such as a $10,000 house with a 40-year mortgage at 5½ percent—and starts talking about his equity in the house 12 years later, he should at least use some rule of reason, in terms of recent experience as to property values.

Mr. GORE. I think some rule of reason should be used, too. We should contemplate, for example, that the average life of a composition shingle roof is 10 or 12 years.

Mr. HUMPHREY. Yes.

Mr. GORE. And we should also recognize that the water heater, the washing machine, the stove, and the plumbing fixtures may be in poor condition within 12 years.

Mr. HUMPHREY. Yes.

Mr. GORE. So I said "book value," "book equity."

Now, Mr. President, I yield——

Mr. HUMPHREY. Mr. President, will the Senator from Tennessee permit——

Mr. GORE. Mr. President, I shall be glad to yield, if the Senator will obtain some time from that available to the other side.

Mr. HUMPHREY. I should like to have about 2 minutes.

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. HUMPHREY. Mr. President, I do not wish to be argumentative; but I was confused by the argument, because it seemed to move from one point to another, whereas the amendment applied to sales housing.

I think the point has been made about the interest differential and about subsidized interest. I do not believe there is much subsidy when the interest rate is averaged over the period of the borrowing. But that situation should not be confused with the payment schedules and the depreciation schedules which relate to sales housing.

I submit that the amendment of the Senator from Tennessee relates to sales housing, not rental housing. So we should confine the argument on this amendment to the particular item of sales housing. If so, I believe that will clarify the argument.

Mr. GORE. Mr. President, who confused the two? Not the Senator from Tennessee. The Senator from Alabama has offered the amendment which relates to both of them. I am undertaking to defeat the Sparkman amendment. It has two unsound features.

Mr. President, at this time I yield 5 minutes to the Senator from Oklahoma [Mr. MONRONEY].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. MONRONEY. Mr. President, I think those of us who have served many years in the Congress—for example, those who came to the Congress during the administration of President Franklin D. Roosevelt—have just pride in a program which was started for the purpose of creating homeownership for the American people. That program was begun, with great courage, in the founding of the FHA. It brought down the mortgage rates from 10 percent to the then unheard of rate of 6 percent, with a 25-percent downpayment; and gradually, as we gained experience with this great program, we found that the working people of America had a chance to buy a piece of America and enjoy it. The beauty about this great operation was that the then President and his then advisers held the program to one of complete economic soundness.

There were those who said it was a wild scheme. But gradually the one-fourth of 1 percent which was charged for the FHA insurance built up an insurance fund of hundreds of millions of dollars.

Because the American people protected their homes and made the payments on schedule, and because the foreclosures were few, because there was provision for adequate downpayments, and provision for 15-year mortgages, then 20 years, then 25 years, and finally 30 years, it was an economical way for people to buy their homes.

This fact is important for us to remember, because the mortgages were usually tailored so that they did not move into Government hands and did not become the permanently frozen property of the Federal National Mortgage Association. Once in a while, when the interest rate was too high and the mortgage people refused to buy the paper at the FHA par rate, FNMA would move in with a million dollars and buy the mortgages until the mortgage companies, seeking some good seasoned mortgages, were willing to pay a premium to take them.

This agency has been the shining diamond among all the New Deal agencies. It has paid its way. It has housed the people of America better than any other people have been housed.

We have adopted a provision to pay $100 million to buy open land because we have built so many houses across the land that we have found it necessary to provide for the purchase of open land. I approve of it. The purpose is to improve the surroundings of homes. Homes of whom? Not homes of John D. Rockefeller or of other mighty moguls. No. Most of those homes have been financed by conventional mortgages. I am talking about the tens of millions of homes that have been built by FHA.

Today we are being asked to depart from reality and go into a dreamworld that is going to bring us financially unsound types of mortgages for which the Government must become the sole and final repository for the next 40 years. Make no mistake about that, because it will be a least 30 years before any mortgage company will want to take the 40-year "turkeys" provided for in this bill.

We have a tradition handed to us of a great and overwhelming success. The amendment of the Senator from Tennessee brings us back to reality. It brings us back to an interest rate of 5¼ percent and a term of 30 years.

I would like to see good housing for everybody. The committee says we must do something about middle-income housing. The CIO put a headlock on me, when I was running for Congress and I was sitting on the Banking and Currency Committee, for long-term, low-interest rates. I turned it down, and faced some rough sledding.

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

Mr. MONRONEY. May I have some additional time?

Mr. GORE. I yield 3 minutes to the Senator from Oklahoma.

Mr. MONRONEY. This is not a new proposal. They have been banging at the door since 1939. In the meantime we have covered the landscape of America with new homes for middle-income families.

The report says there is a great need of housing for middle-income people. The median income of all families in urban areas is $5,755. It is proposed to take care of all families having incomes up to about $6,000. It is over 50 percent. It is 60 or 65 percent of all the families in America for whom it is proposed to provide houses. This program will sink like a piece of lead, because it does not fit into the economic picture.

There is a way to handle it. The wholesale rate has already fallen, but the retail rate remains high. Let us not wreck a program that has housed America, that has carried itself, that has piled up millions of dollars in reserve, and cut ourselves loose from reality and go into a program of 40 years. After 20 years there will not be enough equity to paint the outside of the house, let alone put a new linoleum on the floor. Let us keep the program sound. Let us fix the term at 30 years. Let us adopt the Gore amendment, and the middle-income families will have housing, and we will have a sound, lasting housing program.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. GORE. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Tonight one of the proponents of the measure now pending before us, whom I will not identify, made this statement, and I ask Senators to listen attentively, because I believe it is most significant:

> A report was presented to me by an economist of a farm organization showing that the Congress has never done its duty with respect to rural housing. The worst housing in America is in the rural areas of America. We as Americans ought to be ashamed. Some of the rural housing in America makes Russian housing look good. It is bad housing. More than 50 percent of it is over 30 years old, and 90 percent is without indoor facilities. We ought to be ashamed of ourselves.

Over 50 percent of it is more than 30 years old, and having housing that is

more than 30 years old, we ought to be ashamed of ourselves.

Mr. HUMPHREY. Mr. President, will the Senator yield? I should like to identify the statement. It is my statement. I do not believe in applying the rules of secrecy. What I am ashamed of is the lack of facilities.

Mr. LAUSCHE. That is not the statement I have read. The statement is that when a house is more than 30 years old, it is a shame to have it in existence. Yet we are providing 40-year mortgages on these homes.

Mr. BUSH. Mr. President, will the Senator from Alabama yield 2 minutes to me, so that I may ask the Senator from Tennessee a question?

Mr. SPARKMAN. I yield 2 minutes to the Senator from Connecticut.

Mr. BUSH. Under existing law, persons displaced by Government action now have available 40-year, no-downpayment mortgages at market rates of interest. Is that correct?

Mr. GORE. Yes. I am not sure it is a wise provision, but that is the law.

Mr. BUSH. The Senator's amendment is addressed to that situation, but it also includes moderate-income families. I wonder whether the Senator would care to modify his amendment so as not to affect existing legislation which applies to displaced persons, but make his amendment apply only to moderate-income families.

Mr. GORE. The amendment I have offered applies only the FHA loan-guaranteed home sales. In other words, it does not deal with the other matter in the amendment of the Senator from Alabama.

As the able Senator knows, the amendment offered by the Senator from Alabama is long and complicated. I have drafted this amendment to reduce the length of the mortgage guaranteed from 40 years to 30 years.

The Senator from Alabama modified his amendment to change the provision of the bill from a no-downpayment provision to the present FHA rate for the downpayment.

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

Mr. BUSH. Mr. President, will the Senator yield me two more minutes for the same purpose?

Mr. SPARKMAN. I yield two minutes to the Senator from Connecticut.

Mr. GORE. However, the Senator left completely untouched the duration of the loan guarantee. Since the Senator has moved to modify the provision in the bill to comply with the regular FHA program in one respect, which I think was a sound move, by the amendment I move to make the program comply with the established FHA program in the other respect. Later, after this amendment is acted upon, I shall offer an amendment to deal with the subsidized interest and the 40-year guarantee on apartment houses.

Mr. BUSH. If the Senator will permit it, I should like to observe that the Sparkman amendment would not affect existing law. It would not affect the 40-year, no-downpayment privilege now existing for displaced families. The amendment of the Senator from Tennessee would affect that.

Mr. GORE. My amendment is an amendment to the Sparkman amendment.

Mr. BUSH. Yes.

Mr. GORE. What the Senator says could not possibly be true. My amendment could not deal with some matter the Sparkman amendment does not deal with.

Mr. BUSH. I have discussed this with the Senator from Alabama. He says that what I say is true.

Mr. SPARKMAN. It is true.

Mr. GORE. This is peculiar business, because the word "forty" is in the Sparkman amendment, and all my amendment would do would be to strike out the word "forty" and substitute the word "thirty".

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, the point made by the distinguished Senator from Connecticut is absolutely correct.

This is an amendment to section 221 housing. Section 221 housing is now and since 1956 has been a program of 100-percent-insured, no-downpayment, 40-year mortgages.

The amendment would be a step backward. Goodness knows, there would be no need for having this program at all, and we might as well wipe out the FHA section 221 program in that event. The Senator from Tennessee seeks to take us back to the FHA section 203 housing program, the regular FHA $22,500 sales housing program. These are the terms the Senator is offering for the low- and middle-income housing.

Mr. President, a great deal has been said with reference to 40-year mortgages.

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

Mr. SPARKMAN. I will yield briefly.

Mr. GORE. I wish to invite the Senator's attention to the fact that the amendment I have offered to his amendment applies to page 8 of the Senator's amendment.

Mr. SPARKMAN. Yes.

Mr. GORE. Which is that portion of the amendment which extends the provision of section 221.

Mr. SPARKMAN. Yes.

Mr. GORE. To apply to all FHA mortgages.

Mr. SPARKMAN. Yes.

Mr. GORE. Therefore, the interpretation the able Senator has placed on the amendment could not possibly be correct.

Mr. SPARKMAN. But it is correct. I think I can prove that.

My amendment seeks to amend section 221 of the existing law, which is a 100-percent-insured, 40-year, no-downpayment law. I have changed the amendment, so far as the program is concerned, to apply the regular FHA minimum downpayment. The Senator from Tennessee would change the term to 30 years, which would be a step backward. The Senator would change the whole concept of the FHA section 221 program and really make it the FHA section 203 program.

A great deal has been said about a 100-percent insured mortgage. There has been talk about a 100-percent guarantee program. This is not a loan program, but is an insurance program for which the purchaser will pay an insurance premium. One-half of 1 percent is included as an insurance premium and the purchaser will pay this premium over the years. FHA has built up a reserve fund of nearly $1 billion, out of the half percent which is paid as insurance premium.

Since 1950, we have had FHA section 213 housing, which is a 40-year mortgage program.

Since 1956 we have had FHA section 221 housing for displaced families, which is a 100-percent-insured, 40-year mortgage program.

Since 1959 we have had section 231 housing, for the elderly, which is a 100-percent insured program.

Why should there be all this hullabaloo when we try to build housing to be sold to people of low and middle incomes, when we never heard a word in opposition to the other programs?

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

Mr. SPARKMAN. I yield to the Senator from Missouri.

Mr. SYMINGTON. I think we all agree that nobody understands the housing program any better than does the great Senator from Alabama.

When the housing bill came to the Senate, it had two primary characteristics. The first was a provision for a 40-year mortgage. The second was—at least in the opinion of some of us—a no-downpayment provision.

When an amendment was offered to require a downpayment, I voted for it this afternoon because I thought there should be a downpayment. Now we are asked to cut the time of the mortgage from 40 years to 30 years, which, as I understand the situation, would destroy the administration bill and all the things the Senator from Alabama believes are proper in order to further the housing program. Is that correct?

Mr. SPARKMAN. The Senator is correct.

Mr. SYMINGTON. I voted against the provision for no downpayment, and I shall now vote for the 40-year mortgage provision.

Mr. SPARKMAN. I appreciate that statement by the Senator from Missouri.

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

Mr. SPARKMAN. Mr. President, I yield myself 1 more minute. I believe the amendment of the Senator from Tennessee should be defeated. I believe we ought to get on to voting on the amendment I have offered.

Incidentally, the Senator referred to the downpayment as being $300. For a $15,000 house, which is the maximum mortgage provided under the proposed program, the downpayment would be $555, in addition to closing costs, which would be approximately $200. In other words, a middle-income family in order

to purchase a home under this program would have to raise $750. I submit that would be a rather large downpayment for a person with an income of the level contemplated.

Mr. CAPEHART. Mr. President, we have had programs for 40-year mortgages, with no downpayment, but they were limited to certain classes of people, primarily to those displaced through no fault of their own.

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

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

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the Senator from Indiana.

Mr. CAPEHART. I believe it is correct to say that I have never before voted against a housing bill. However, I am going to vote against the bill tonight, for the first time, because although we have provided 40-year mortgages, with no downpayments, they were limited to certain classes of cases. Now the bill would open the field up to any house with a sales price of no more than $15,000, to anybody who wishes to buy it, regardless of his income. That is what we must keep in mind. The bill is not limited to people with low incomes. The limitation is the $15,000.

I think we are wrong. I believe the bill is an opening wedge to liberalize housing legislation. I have felt that the legislation has done a great deal of good. But throughout the bill I see liberalization. There is liberalization not only in the 40-year no-downpayment proposal, but also what I call "cats and dogs" in the bill—proposed changes which in my opinion would be bad for builders, bad for the real estate business, bad for the people who buy houses, bad for the taxpayers and bad for everyone concerned. We ought not to do it.

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

Mr. CAPEHART. I will vote against the housing bill tonight as a protest against a liberalization to the point at which I think people will rebel one of these days. If we continue to take action such as is proposed every time we have a session of Congress, it will not be long until we shall have nationalized or socialized housing in America.

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the Senator from Connecticut.

Mr. BUSH. May I have the attention of the Senator from Tennessee to ask a question? Will the Senator from Tennessee modify his amendment to eliminate the words "and displaced families" on page 1, line 10, of the bill and also on page 2, lines 5 and 6, where there is provision for families displaced from urban renewal areas or as a result of governmental action. I believe by modifying his amendment in that way he would gather some support for it. I suggest, if he wishes to modify his amendment in that way, that he ask to modify it so as to eliminate the effectiveness of the amendment so far as displaced families are concerned.

The modification would be made wherever the bill would need to be changed for that purpose. In other words, the Senator's amendment would then apply to so-called moderate-income families only and not to displaced families.

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

Mr. SPARKMAN. I yield.

Mr. GORE. I do not wish to enter into a technical argument. If the Senators will look at page 8 of the bill, they will see what is in quotation marks and what is not, in order to make it completely clear and avoid argument.

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

Mr. BUSH. Mr. President, will the Senator from Alabama yield 2 additional minutes?

Mr. GORE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Tennessee has 3 minutes remaining.

Mr. GORE. I will take 1 minute. I modify my amendment to strike the word "forty" and insert "thirty" with respect to the new additions in the bill, and leave untouched section 221 of the present law. Does such a modification satisfy the Senator?

Mr. BUSH. May I ask the Senator whether his modification would do what I seek to accomplish?

Mr. GORE. I have modified the amendment to that extent.

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

Mr. GORE. I yield.

Mr. KEATING. In other words, the modifications would not change the existing law as regards displaced families who are displaced by urban renewal?

Mr. GORE. The Senator is correct.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is a request to have the amendment read in order? If the modification of the amendment of the Senator from Tennessee now operates, I respectfully submit that the amendment does not meet the test of a formal amendment at all.

Mr. GORE. Mr. President, reserving the right to object, if unanimous consent is to be granted, I ask unanimous consent that the Senate recess for 5 minutes so I can draft the amendment according to the request in order that it may be read. That is an unusual procedure, but we have under consideration a very technical amendment.

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

Mr. GORE. I am reserving the right to object. The statement of the Senator will not come out of my time.

Mr. PASTORE. The Senator from Connecticut has suggested words to be deleted in order to accomplish the purpose. I think if we adopt his suggestion, we shall carry out the purpose of the Senator from Tennessee. The question is as simple as that.

Mr. GORE. I agree. But the Senator from Oregon has asked that the amendment be read. To reduce it to writing would require a few minutes.

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

Mr. GORE. Further reserving the right to object, I yield.

Mr. MORSE. I want to know what I am voting for. I could not figure out from what the Senator said what his amendment is. I want to know what I am voting for.

Mr. BUSH. If the Senator will consult a copy of the bill, I believe I can show him in 30 seconds, if the Senator will give me that much time, what my suggested modification would do. If the Senator will look at page 1, line 10, of the bill, I suggest that the words "and displaced families." be eliminated. I suggest that a period be placed after the word "income" and that the words "and displaced families." be eliminated.

On page 2, I suggest that a semicolon be inserted after "income families" at the end of line 4, and that lines 5 and 6 be stricken.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Would it be in order to make a motion to lay the amendment on the table?

The PRESIDING OFFICER. Not at this particular time, because there is still time remaining on both sides.

Mr. BUSH. Does the Senator wish to modify his amendment in the fashion I have suggested?

Mr. GORE. Mr. President, during the colloquy I have had time to redraft the amendment. I modify my amendment to read as follows:

On page 8, line 8, after "forty," insert "thirty years in the case of mortgages covering properties for low and moderate income families.

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

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

Mr. HUMPHREY. Mr. President, I join with the Senator from Oregon. I try to presume, at least, that I have average intelligence, even at this late hour. I suggest that the amendments that have been talked about not only relate to some of the provisions of the bill, but the whole context and purpose of the bill. We would amend not only provisions and details, but titles. I think the process suggested is a very poor way to legislate on a $9 billion bill.

Mr. SPARKMAN. Did I correctly understand the Senator from Tennessee to say that he was willing to yield back the remainder of his time?

Mr. GORE. I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Alabama yield back the remainder of his time?

Mr. SPARKMAN. I yield back the remainder of my time, along with the Senator from Tennessee.

The PRESIDING OFFICER. All time is yielded back.

Mr. MORSE. Mr. President, I move to lay the amendment, as modified, on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oregon to lay on the table the modified amendment of the Senator from Tennessee.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. No debate is in order. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the Senator from Colorado [Mr. ALLOTT]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." Therefore I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

I also announce that the Senator from Colorado [Mr. ALLOTT] is detained on official business, and his pair has been previously announced.

I further announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from New Mexico would vote "yea."

If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The result was announced—yeas 47, nays 45, as follows:

[No. 74]

YEAS—47

Bartlett	Cannon	Douglas
Bible	Carroll	Engle
Boggs	Case, N.J.	Fong
Burdick	Clark	Gruening
Byrd, W. Va.	Dodd	Hart
Hartke	Long, Hawaii	Pastore
Hayden	Long, La.	Pell
Hickey	Magnuson	Proxmire
Hill	McCarthy	Randolph
Humphrey	McGee	Smith, Mass.
Jackson	McNamara	Sparkman
Javits	Metcalf	Symington
Johnston	Morse	Williams, N.J.
Kefauver	Moss	Yarborough
Kuchel	Muskie	Young, Ohio
Long, Mo.	Neuberger	

NAYS—45

Aiken	Eastland	Mundt
Beall	Ellender	Prouty
Bennett	Ervin	Robertson
Bush	Fulbright	Russell
Butler	Gore	Saltonstall
Byrd, Va.	Hickenlooper	Schoeppel
Capehart	Holland	Scott
Carlson	Jordan	Smathers
Case, S. Dak.	Keating	Smith, Maine
Church	Kerr	Stennis
Cooper	Lausche	Talmadge
Cotton	McClellan	Thurmond
Curtis	Miller	Wiley
Dirksen	Monroney	Williams, Del.
Dworshak	Morton	Young, N. Dak.

NOT VOTING—8

Allott	Bridges	Hruska
Anderson	Chavez	Mansfield
Blakley	Goldwater	

So Mr. MORSE's motion to lay on the table Mr. GORE's modified amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

Mr. DIRKSEN. Mr. President, I yield 2 minutes on the bill to the Senator from Indiana.

Mr. CAPEHART. Mr. President, the House has not yet passed a housing bill. The Senate and the House passed a resolution a few weeks ago extending FHA insurance further by $1 billion. I believe that is the correct figure. Nothing would be lost by a delay of a week or 10 days in respect to housing legislation. Therefore, I make a motion that the pending bill be recommitted to the Committee on Banking and Currency with instructions to report a clean bill within 10 days. I ask for the yeas and nays.

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

Mr. CAPEHART. I ask for the yeas and nays.

Mr. HUMPHREY. Mr. President, I move to lay on the table the motion to recommit.

Mr. RUSSELL. Mr. President, that motion is not in order so long as time remains on the motion to recommit. Under the unanimous-consent agreement, 30 minutes to a side is allowed on a motion to recommit. Until that time has been yielded back, I make the point of order that the motion to lay on the table the motion to recommit is not in order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. CAPEHART. I shall yield my time back in just a moment. I think we have reached the point tonight where we would be much better off if the bill were sent back to committee and the committee reported a clean bill, so that everyone could read it and understand it. Nothing would be lost by so doing. We would then all know what we were doing, rather than voting at 1 o'clock in the morning, when we are not yet through with amendments.

I again say the bill contains a number of provisions which, in my opinion are not good. I feel that the best thing we can do is to recommit the bill. Nothing would be lost by doing so.

I yield back the remainder of my time.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. HOLLAND. Under the unanimous-consent agreement, how much time will be allowed for discussion of the bill after the third reading?

The PRESIDING OFFICER. For the proponents, 54 minutes remain; for the opponents, 24 minutes remain.

Mr. HOLLAND. How much time was allowed under the terms of the unanimous-consent agreement?

The PRESIDING OFFICER. Two hours.

Mr. HOLLAND. Two hours on each side?

The PRESIDING OFFICER. No; 1 hour to a side.

Mr. HOLLAND. How much time remains on each side?

The PRESIDING OFFICER. One hour and eighteen minutes remain.

Mr. HOLLAND. I do not intend to usurp the functions of the leadership, for whom I have great respect and in whom I have much confidence. However, I wish to be heard before the passage of the bill. Neither I nor, I feel certain, any other Senator knows what is in the bill. If we could adjourn until some fixed hour, so that the bill could be printed overnight, and we could know what was in it, we would be in a better position to deal with it after we returned.

I do not believe the situation which has developed gives either the proponents or the opponents of the bill—particularly the opponents—a fair chance either to defend or oppose the bill or really to know what the bill contains in its present form. Therefore, I make this suggestion and request of the leader——

Mr. CAPEHART. Mr. President, I think I have the floor. In moving to recommit the bill, I am not in any way trying to kill the measure or to cripple it. I am simply trying to get a clean bill, which can be understood by all, and have some changes made in the bill, changes which I think this body, after sober consideration, will want to make.

It is not my purpose to delay or to kill the bill, because I favor housing legislation, and have done so for years. I still favor it, but I do not like to see this liberalization, because I think it is bad.

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

Mr. CAPEHART I yield.

Mr. BUSH. What was the Senator's motion?

Mr. CAPEHART. I have moved to recommit the bill with instructions to the committee to report back in not less than 10 days.

Mr. BUSH. Mr. President, I associate myself with that motion. I intend to support the bill. If we come to a vote on it tonight, I shall vote for it. But I think that what the Senator from Indiana proposes is a sound idea. Cer-

tainly it is clear tonight that few Senators understand what is in the bill.

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

Mr. SPARKMAN. Mr. President, I yield back the rest of my time.

Mr. MANSFIELD. Mr. President, I move to lay on the table the motion of the Senator from Indiana to recommit the bill. On my motion, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. When the Senator from Indiana first stated his motion, I understood him to say that he moved to recommit the bill to the committee with instructions to report back within 10 days a clean bill. I would understand from that proposal that the bill would be in the form in which it has been amended.

In the restatement of his motion just a moment ago, the Senator from Indiana merely referred to recommitting the bill to committee; nothing was said about reporting it back as a clean print. What are we voting to table?

The PRESIDING OFFICER. The Chair understands that the Senate is about to vote on a motion to table the motion of the Senator from Indiana to recommit the bill.

Mr. CASE of South Dakota. Yes; but what was the motion of the Senator from Indiana? Was it to report the bill back as a clean print, or could the committee——

Mr. CAPEHART. My motion was to recommit the bill with instructions to the committee to report a new housing bill within 10 days.

Mr. CASE of South Dakota. Let us be clear. Would the committee have the right to change the bill from its present form, with the amendments which have been adopted?

Mr. CAPEHART. It would, under my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to lay on the table the motion of the Senator from Indiana [Mr. CAPEHART] to recommit the bill, with instructions. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Nebraska would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

I further announce that the Senator from Colorado [Mr. ALLOTT], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. ALLOTT] and the Senator from Arizona [Mr. GOLDWATER] would each vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Nebraska would vote "nay" and the Senator from New Mexico would vote "yea."

The result was announced—yeas 60, nays 33, as follows:

[No. 75]

YEAS—60

Aiken	Gruening	McGee
Bartlett	Hart	McNamara
Bible	Hartke	Metcalf
Boggs	Hayden	Monroney
Burdick	Hickey	Morse
Byrd, W. Va.	Hill	Moss
Cannon	Humphrey	Muskie
Carroll	Jackson	Neuberger
Case, N.J.	Javits	Pastore
Church	Johnston	Pell
Clark	Jordan	Proxmire
Cooper	Keating	Randolph
Dodd	Kefauver	Scott
Douglas	Kerr	Smathers
Ellender	Long, Mo.	Smith, Mass.
Engle	Long, Hawaii	Sparkman
Ervin	Long, La.	Symington
Fong	Magnuson	Williams, N.J.
Fulbright	Mansfield	Yarborough
Gore	McCarthy	Young, Ohio

NAYS—33

Beall	Dworshak	Robertson
Bennett	Eastland	Russell
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Kuchel	Smith, Maine
Capehart	Lausche	Stennis
Carlson	McClellan	Talmadge
Case, S. Dak.	Miller	Thurmond
Cotton	Morton	Wiley
Curtis	Mundt	Williams, Del.
Dirksen	Prouty	Young, N. Dak.

NOT VOTING—7

Allott	Bridges	Hruska
Anderson	Chavez	
Blakley	Goldwater	

So Mr. MANSFIELD'S motion to lay on the table Mr. CAPEHART'S motion to recommit was agreed to.

Mr. DIRKSEN. Mr. President, I yield myself 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. I should like to suggest to the majority leader that he make inquiry of the Senate as to how many more amendments remain; which ones, if any, are acceptable to the committee; about when we could expect the third reading of the bill; and, then, what the managers of the bill propose with respect to postponing the vote.

The distinguished Senator from Florida indicated that he wished to be heard. But if we can have the third reading and if the vote is put over, the remaining time on the bill can then be used, at some subsequent time, for discussion of the bill, as such.

Mr. MANSFIELD. Mr. President, with respect to the question propounded by the distinguished minority leader, it is my understanding that the Senator from Indiana [Mr. CAPEHART], the ranking minority member of the committee handling the housing legislation, has two proposals, which I understand are acceptable.

I also understand that the distinguished Senator from Tennessee [Mr. GORE] has several proposals which will not take too much time.

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

Mr. MANSFIELD. I yield.

Mr. GORE. I think the 47-to-45 vote was a fair test. The Senator has been very generous, and I have made my case.

I am ready to vote on the Sparkman amendment. I shall withhold my amendments.

Will the Senator from Montana yield further?

Mr. MANSFIELD. I yield.

Mr. GORE. I had intended to offer, and to press for, an amendment requiring a downpayment, on the apartment rental provision. But I think we shall face that test squarely when we vote on the Sparkman amendment, anyway.

Mr. MANSFIELD. The Senator is most gracious and considerate, as always. It should not take too much time to dispose of the remaining amendments, though I am becoming very fearful, on the basis of what happened yesterday and today, with respect to so-called little amendments which are expected to take only a few minutes. I hope the third reading can be reached tonight, but there will be no vote on it. There will be a clean bill, if the third reading is reached this morning, and the Senate can adjourn until Monday. At that time the distinguished Senator from Florida [Mr. HOLLAND] and other Senators who are interested will have had an opportunity to examine the bill and the amendments thereto.

Mr. McCLELLAN. Mr. President, do I correctly understand that there are to be no more votes tonight?

Mr. MANSFIELD. I understand there will not be any more votes tonight——

Mr. SPARKMAN. Mr. President——

Mr. MANSFIELD. The Sparkman amendment is yet to be voted on. I do not want Senators to leave.

Mr. SYMINGTON. Mr. President, why does not the Senate work on Friday?

Mr. MANSFIELD. We are.

Mr. SYMINGTON. Why not Friday?

Mr. MANSFIELD. We are.

Mr. SYMINGTON. Why do we work until 1:10 a.m., and not on Saturday?

Mr. MANSFIELD. There are reasons. Many Senators have commitments which they have looked forward to fulfilling. I felt I was in a predicament. That is the reason for going over until Monday.

Mr. SYMINGTON. I was not criticizing; I was only asking.

Mr. MANSFIELD. I was only answering.

Mr. HOLLAND. Mr. President, the course the distinguished majority leader is suggesting is thoroughly acceptable to me. I do not expect to change any votes on Monday, but I think every Senator should have an opportunity to express himself for the RECORD.

It would be a very simple matter for a Senator to offer an amendment to strike, and to thus hold up the bill indefinitely. I shall certainly not take any such course. I have not suggested I would. It would be possible, by making dilatory motions to adjourn, to hold up the bill indefinitely. I think we have been here too long. I think the distinguished majority leader, as usual, has shown his good sense by stating that he proposes to have the Senate adjourn until Monday. I congratulate him and thank him.

Mr. SALTONSTALL. Mr. President, if the Senator will yield, the majority leader has said there would be a clean bill on Monday. I ask the majority leader if that can be done without a motion or a vote of the Senate. I have never heard of its being done without a motion. If we are to have a clean bill, I want to make certain it can be done without a motion.

Mr. SPARKMAN. Mr. President, I think it would be difficult to have a clean bill, but I was about to suggest that the bill can be printed as amended, which would be a clean bill.

Mr. SALTONSTALL. So the bill will be all together.

Mr. SPARKMAN. Yes, and I shall ask the staff of our subcommittee to make a section-by-section analysis of the bill in its amended form and to have a copy of such analysis on every Senator's desk when the Senate meets on Monday.

Mr. PASTORE. Mr. President, I have mentioned this matter privately to the distinguished majority leader. Some of us have commitments to a very important luncheon Monday at the White House.

I hope he will give us sufficient time to attend to that commitment and be back here in time to vote.

Mr. MANSFIELD. I have discussed the matter with the minority leader. It will be possible for Senators to attend the luncheon at the White House and to be back here in time to vote.

While I have the floor, I wish to say I am deeply grateful to the chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN], and the ranking Republican member of the subcommittee [Mr. CAPEHART], for the courtesy and consideration they have both shown constantly during the course of the consideration of this bill, which has covered a period of almost 2 weeks, off and on. I also wish to express my appreciation to the chairman of the full committee [Mr. ROBERTSON] for his kindness and courtesy.

Mr. ROBERTSON. Mr. President, as chairman of the committee, I wish to say some concern was expressed over the inflationary effects of the measure. I made a speech on Friday of last week analyzing every issue brought up on the floor. Since only a few Members of the Senate were present at the time, I had the speech mimeographed and sent to each Senator. The chairman of the committee felt he had a duty to explain his opposition to the bill. I plan to speak on Monday, but very briefly. If the members of the committee or of the Senate want to understand a very technical measure, I point out that my speech was prepared with the help of the staff, and it is accurate and technically correct. It will, in plain English, tell Senators what it is all about.

Mr. GORE. Mr. President, I ask for the yeas and nays on the Sparkman amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama, for himself and the Senator from New York [Mr. JAVITS].

Mr. CAPEHART. Mr. President, I send to the desk an amendment to the Sparkman-Javits amendment, and ask that it be stated. It will take me about 5 minutes on two amendments and one clarification.

The PRESIDING OFFICER. The amendment offered by the Senator from Indiana to the amendment offered by the Senator from Alabama for himself and the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed in the amendment to subsection (d)(3) which is made by paragraph (6) of section 101, to strike out "a public body or agency,"; and

To strike out subsection (c) of section 101.

Mr. CAPEHART. Mr. President, my amendment would deny a public body the right to participate in the rental housing section in public housing. Therefore it takes away from the bill what I consider to be the public housing phase of it, or what might be the public housing phase of it in rental housing.

Mr. SPARKMAN. Only so far as ownership might be in a public housing authority. The amendment is acceptable.

Mr. CASE of South Dakota. Mr. President, are these amendments to the Sparkman-Javits amendment?

Mr. SPARKMAN. Yes.

I yield back my time on the amendment.

Mr. CAPEHART. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana to the amendment offered by the Senator from Alabama [Mr. SPARKMAN] for himself and the Senator from New York [Mr. JAVITS].

The amendment to the amendment was agreed to.

Mr. CAPEHART. Mr. President, I have at the desk another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Indiana to the amendment of the Senator from Alabama, for himself and the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed in paragraph (11) of section 101, to strike out "bear interest", and insert "bear an interest rate".

In the same paragraph, after the parenthetical clause, it is proposed to insert ", uniformly established by the Commissioner for all classes of borrowers,".

Mr. CAPEHART. Mr. President, the purpose of the amendment is to make certain that the Commissioner of the FHA will charge the same interest rates to all categories of borrowers.

Mr. SPARKMAN. Mr. President, I think the Senator from Indiana and I are in full agreement as to the meaning of the amendment, but I want to make certain the RECORD is clear that this amendment is with reference to below-market interest-rate portion of the FHA section 221(d)(3) program as proposed by the bill, and only to that part of the program.

Mr. CAPEHART. That is right. The amendment refers to that section of the bill.

I yield back my time on the amendment.

Mr. SPARKMAN. I yield back my time. I am agreeable to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana to the amendment offered by the Senator from Alabama, for himself and the Senator from New York [Mr. JAVITS].

The amendment to the amendment was agreed to.

Mr. CAPEHART. Mr. President, I have one short prepared statement that I think I should read. The Senator from Alabama is in accord with this, but I think it ought to be made a part of the RECORD, so the Commissioner of the FHA will know exactly what is meant by an amendment just adopted.

Mr. SPARKMAN. Mr. President, if I may make a suggestion, the Senator may place the statement in the RECORD. It is in accord with the colloquy between the Senator from Indiana and me.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have the statement printed in the RECORD. The able manager of the bill agrees with the explanation.

Mr. SPARKMAN. That is correct.

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

STATEMENT BY SENATOR CAPEHART

Last Friday and again tonight, the Senate agreed to an amendment I offered which would require a uniform interest rate for all classes of borrowers under the FHA moderate rental housing program, the below-market interest-rate mortgages. Some question has been raised as to whether this amendment requires that the lowest interest rate be used in all cases under that program. I understand that the provisions of the bill affected by the amendment cover some housing which does not need the special low-interest rate.

As I see it, some mortgages would be insured at the regular FHA rate and others at the below-market rate. However, whether at the market rate, or the below-market rate,

either rate would apply uniformly to all applicants qualifying for that particular rate.

My amendment is merely intended to require that all classes of organizations be treated alike under the section 221(d)(3) program so that FHA would not establish different rates simply on the basis of the type of borrower involved.

The PRESIDING OFFICER. All time has expired on the amendment offered by the Senator from Alabama for himself and the Senator from New York [Mr. JAVITS] as amended. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Alabama [Mr. HILL], the Senator from Ohio [Mr. YOUNG], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that the Senator from Texas [Mr. BLAKLEY] is necessarily absent.

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Alabama [Mr. HILL]. If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Alabama would vote "yea."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Nebraska would vote "nay."

On this vote, the Senator from Ohio [Mr. YOUNG] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Ohio would vote "yea" and the Senator from Colorado would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from New Mexico would vote "yea" and the Senator from Georgia would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

I further announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. GOLDWATER] and the Senator from New Hampshire [Mr. BRIDGES] would each vote "nay."

On this vote, the Senator from Coloradio [Mr. ALLOTT] is paired with the Senator from Ohio [Mr. YOUNG]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Ohio would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 47, nays 42, as follows:

[No. 76]

YEAS—47

Bartlett	Hart	McNamara
Bible	Hartke	Metcalf
Boggs	Hayden	Morse
Burdick	Hickey	Moss
Byrd, W. Va.	Humphrey	Muskie
Cannon	Jackson	Neuberger
Carroll	Javits	Pastore
Case, N.J.	Johnston	Pell
Church	Kefauver	Proxmire
Clark	Long, Mo.	Randolph
Dodd	Long, Hawaii	Smith, Mass.
Douglas	Long, La.	Sparkman
Engle	Magnuson	Symington
Fong	Mansfield	Williams, N.J.
Fulbright	McCarthy	Yarborough
Gruening	McGee	

NAYS—42

Aiken	Ellender	Mundt
Beall	Ervin	Prouty
Bennett	Gore	Robertson
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Jordan	Scott
Capehart	Keating	Smathers
Carlson	Kerr	Smith, Maine
Case, S. Dak.	Kuchel	Stennis
Cooper	Lausche	Talmadge
Cotton	McClellan	Thurmond
Curtis	Miller	Wiley
Dirksen	Monroney	Williams, Del.
Dworshak	Morton	Young, N. Dak.

NOT VOTING—11

Allott	Chavez	Hruska
Anderson	Eastland	Russell
Blakley	Goldwater	Young, Ohio
Bridges	Hill	

So the amendment offered by Mr. SPARKMAN, for himself and Mr. JAVITS, was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the Sparkman-Javits amendment, as amended, was agreed to.

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

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, on behalf of myself, the Senator from New York [Mr. JAVITS], and the Senator from West Virginia [Mr. RANDOLPH], I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Alabama will be stated.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

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

The amendment is as follows:

Paragraph (3) of section 305 of S. 1922 (the Housing Act of 1961) is proposed to be amended by—

(a) striking out the amendment to paragraph (3) of section 7(b) of the Small Business Act and substituting the following:

"(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small-business concern in reestablishing its business on a new site, if the Administration determines that such concern has suffered substantial economic injury as a result of its displacement by a Federally aided urban renewal or highway construction program or by any other construction conducted by or with funds provided by the Federal Government."; and

(4) by adding immediately before the period at the end of the third sentence the following: ", except that in the case of a loan made pursuant to paragraph (3), the rate of interest on the Administration's share of any such loan shall not exceed the rate paid by the Administration on funds obtained from the Secretary of the Treasury as provided in section 4(c), plus one-half of one per centum per annum";

(b) section 2(b) of such Act is amended by inserting before the period at the end thereof the following: ", and small-business concerns which are displaced as a result of Federally aided construction programs".

(c) section 4(c) of such Act is amended—

(1) by striking out "$975,000,000" each place it appears and inserting in lieu thereof "$1,025,000,000"; and

(2) by striking out "$125,000,000" in the sixth sentence and inserting in lieu thereof "$175,000,000".

Mr. SPARKMAN. Mr. President, in 1 minute I can explain what the amendment provides. There is a provision in the bill which permits the Small Business Administration to make loans under the disaster loan program terms to small businesses that are displaced by reason of federally assisted urban renewal projects and have suffered substantial economic injury as a result of displacement. The amendment would extend that provision to cover businesses forced out by highway construction and other governmental action. The amendment would only make the provisions effective across the board. It is an amendment of the Small Business Act. The interest rate on disaster loans in existing law is 3 percent. I am offering an amendment to change that rate, so far as loans provided by the amendment in this bill are concerned, to 3½ percent. I believe it would be 3½ percent. The rate would be the cost of the money to the Government plus a half percent.

A third provision would make available $50 million to cover loans to be made under the amendment.

I discussed the amendment with the Senator from Wisconsin [Mr. PROXMIRE], who is chairman of the Subcommittee on Small Business of the Committee on Banking and Currency. I discussed the amendment with the senior Senator from Indiana [Mr. CAPEHART] and the Senator from New York [Mr. JAVITS], who, by the way, joins me in the amendment; and the Senator from West Virginia [Mr. RANDOLPH] joins me in sponsoring the amendment.

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

Mr. SPARKMAN. I yield.

Mr. MUNDT. I am not clear from the Senator's explanation as to whether the amendment would change the law so that the proposed loans would be made available to small businesses anywhere that Government action takes place, or whether the loss would be limited.

Mr. SPARKMAN. No. The amendment would make it possible for the Small Business Administration to make disaster loans for small businesses that are forced out by governmental action generally.

Mr. MUNDT. Regardless of whether they are in urban or rural areas?

Mr. SPARKMAN. Yes.

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

Mr. SPARKMAN. I yield.

Mr. PROXMIRE. I did not realize until now that the bill would increase the authorization by $50 million.

Mr. SPARKMAN. It would be limited to these loans.

Mr. PROXMIRE. The authorization would be increased from $975 million to $1,025 million.

Mr. SPARKMAN. Yes.

Mr. PROXMIRE. The amendment is specifically limited to loans for highway and urban renewal moves, is that correct?

Mr. SPARKMAN. I am not sure that the amendment would be limited to those, but it is limited to the disaster loans program. The amendment is a part of the disaster loans program. I should think the money would not be earmarked for those particular purposes, but for disaster loans.

Mr. President, I believe that the Senator from Indiana has told me that the amendment would be acceptable to him. I am willing to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Alabama for himself and other Senators. All time has been yielded back.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1922) was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a clean copy of the bill be prepared over the weekend for consideration of Senators when the Senate meets at 12 o'clock noon on Monday next.

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

Mr. MORSE. Mr. President, my reasons for supporting this measure as it was reported from the Banking and Currency Committee are to be found on pages 2 and 3 of the committee report. I quote:

> The committee is concerned about the state of the national economy and the continued lack of sustained vitality shown by the homebuilding industry. After having moved ahead for 3 consecutive months, private nonfarm housing starts failed to show the sharp spring upsurge that normally is associated with the month of April. As a result, the seasonally adjusted annual rate slid back from a level close to 1.3 million to one only a shade better than 1.2 million. The committee views such a performance at this time as far from satisfactory, particularly in view of the needs of the national economy as well as the unmet housing needs of our Nation.

The committee was concerned about the construction industry, but a slow spring season upsurge in housing has a dual impact upon my State of Oregon. It not only affects our local construction industry, but the lumber industry which is the largest single source of payroll income in Oregon. When housing starts are slow across the Nation, the lumber industry is in trouble, and it has been in very deep trouble this year in Oregon.

So on behalf of the people of my State who are so dependent upon a sound housing industry, I want to thank the Senator from Alabama [Mr. SPARKMAN] and the other members of the Senate Banking and Currency Committee for bringing to the floor this measure designed to promote and stimulate home and other types of construction. The Senator from Alabama has been diligent and effective in preparing this bill for our consideration, and in explaining and defending it here on the floor.

I know I speak for much of my State when I say we are most appreciative of his work. It will mean a lot to prospective homeowners in Oregon, and it will mean a lot to our lumber industry which supplies construction materials for the entire Nation. Furthermore, it is a sound bill because it will strengthen greatly private homeownership in America. As I have said so many times, we should never forget that private homeownership is one of the bulwarks of freedom. Give me a society with family farm ownership in the country and private homeownership in the city and I will give you a society in which political and economic freedom for the individual will be secure.

This is a good bill. This is a sound bill. This is a bill that promotes the general welfare of our people and of our economy. I shall vote for it with every confidence that I am voting for the best interest of my State and of my Nation.

Mr. DWORSHAK. Mr. President, a delegation of about 25 members of the Canadian Parliament visited the National Capital this week. Several conferences have been held to generate good will and understanding. Entertainment has been provided, including a dinner this evening for the visitors and their ladies. I was asked by the minority leader to attend these functions, and I regret very much that because of my inability to leave the Senate Chamber this evening it was not possible for my wife and me to attend this dinner. I should like to extend my humble apologies to the visitors. I hope that the action of the Senate this evening will not be construed as an act of discourtesy, but rather as being typical of the unpredictable and strange manner in which the most deliberative body in the world functions.

ORDER FOR ADJOURNMENT UNTIL 12 O'CLOCK NOON ON MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns this morning, it adjourn to meet at 12 o'clock noon on Monday next.

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

THE FREEDOM RIDERS

Mr. JOHNSTON. Mr. President, the other day former President Harry S. Truman, in response to an inquiry, declared that the so-called freedom riders were outside agitators and pests, and should stay at home. He further opinioned that, "Agitators make me sick."

This criticism of the freedom riders, coming from a former President whose position on civil rights has been known, carries far greater weight than any of the editorials of the great newspapers of this country and the opinions of many of the people more directly involved in the freedom riders controversy.

Since I hold the same views on the freedom riders controversy as expressed by former President Truman, and because the senior Senator from New York, on the floor of the Senate Tuesday, attempted to justify the so-called freedom riders actions, I would like now to explain that, in my opinion, this movement is not of the high level moral plane it purports to be.

No doubt there have been innocent persons swept into the freedom riders movement who have acted without realizing that, instead of helping race relations, this movement has deteriorated race relations and has done great damage to this country. In support of this contention, I wish to bring to the attention of the Senate several newspaper articles and facts which, when placed together, present a fine mosaic picture of what is really going on.

First, I would like to focus attention upon an article by Omer Anderson appearing in the Columbia Record, Columbia, S.C., of Friday, June 2, 1961, under a Berlin dateline entitled "Red Germany Opens Agitation Center for Negroes." This article reveals that our intelligence in West Berlin has uncovered a new line of Communist perversion. I ask unanimous consent to have the article printed in the RECORD at this point.

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

RED GERMANY OPEN AGITATION CENTER

(By Omer Anderson)

BERLIN.—Communist East Germany has opened an American Negro agitation training center in the Saxony industrial city of Bautzen.

The center, masked as the Institute for the Advancement of the Negro Race, seeks to transform the racial unrest in the U.S. South into a powerful Negro nationalist movement.

Communism's new line, according to Western intelligence authorities, is to link the U.S. Negro's fight for desegregation with the African Negro nationalism.

At Bautzen the Communists are training squads of African Negro agitators who, after completing training in East Germany, will return to their home countries to await infiltration into U.S. Negro population centers.

THOUSANDS OF AFRICANS

Trainees are recruited from African "students," several thousand of whom have been brought to East Germany on "scholarships." They include Guineans, Ghanaians, Congolese, Liberians, and Togolese.

An intelligence officer reported "some of those now being trained in East Germany will be going to the United States, sooner

or later, in various official capacities for the new governments in these African countries, and the rest are to be infiltrated by various means."

The Bautzen center is reported to include several American Negro Communists, according to some estimates as many as 15. It appears that some are deserters from the U.S. military forces. The rest have either visited Europe on tourist status and then slipped into East Germany or have made their way to East Germany from Africa and Asia, where they had been working as technicians or as students.

A propaganda publishing house is being operated in connection with the Bautzen center. It is printing material for distribution in Negro lands calling for solidarity with the U.S. Negro and the building of a worldwide movement to free the Negro race from white domination.

Intelligence officials attribute the Communist exploitation of U.S. racial tensions to Gerhard Eisler, the former No. 1 American Communist who is now an East Germany propagandist.

Eisler began urging establishment of such a U.S. Negro propaganda training center at the time of the Little Rock school integration riots in 1957. There was considerable skepticism concerning the scheme within the East Germany Communist Party, however, and nothing was done until 6 months ago.

The Congolese blowup together with the simmering U.S. racial tension helped Eisler win approval for the Institute for the Advancement of the Negro Race.

Eisler's basic strategy, according to intelligence analysis, is to exploit white resistance in the U.S. South to desegregation by Negro nationalism. (Record-North American Newspaper Alliance.)

Mr. JOHNSTON. The Communists in East Germany have specifically opened a school in which to train individuals in the art of stirring up agitation among the American Negroes. This center, according to the article, is located in the city of Bautzen. The Communists, according to the article, are training squads of African Negro agitators who will return to their home countries and await an opportunity to infiltrate into the United States, where they will infiltrate into Negro population centers and begin fomenting strife to embarrass, harass, and humiliate our Nation in the eyes of free people. In addition to African Negroes, the Communists are reported to be training American Negro Communists and deserters from U.S. military forces. Gerhard Eisler, the former No. 1 American Communist, who is now one of East Germany's foremost propagandists, is in charge of the program and his basic strategy is to exploit resistance to desegregation in the southern part of the United States and convert this resistance into a Negro nationalism movement.

Without going any further, I think it is obvious that the persons behind, and who are participating in the freedom riders movement, whether they like it or not, are doing the work which the East Germany race agitation school is training people to do. If the outside agitators do not leave the South alone and stay out of the South, and allow the southern people to work out their race relations in an amicable fashion, then I, for one, do not see why the Communists even bother to have a school to train people how to create agitation among the races of this country.

Whether the freedom riders realize it or not, there is a Communist conspiracy behind the movement. The official record to show the Communist affiliations of some of these freedom riders has already been placed into the CONGRESSIONAL RECORD, so it is not necessary for me to include it again at this time. It is available to anyone.

However, in further substantiation of the fact that many of these people are Communist-influenced and indoctrinated, I would like to include in the RECORD at this time an article from the Charleston News and Courier of Tuesday, June 6, 1961, headlined "Riders Questionable to Chicago Minister."

The essence of this article is that a young white Chicago minister quit the freedom rider ranks Monday, saying:

I will not knowingly associate with any questionable organization.

In the article he advised anyone thinking of joining the riders to look them over carefully before deciding to do so.

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

[From the Charleston (S.C.) News and Courier, June 6, 1961]

RIDERS QUESTIONABLE TO CHICAGO MINISTER

JACKSON, MISS.—A young Chicago minister quit the freedom rider ranks Monday, saying, "I will not knowingly associate with any questionable organization."

The Reverend Richard Gleason, 24, a white Baptist minister who said he had spent 3 years working with underprivileged and delinquent Negroes in Chicago, told newsmen his conversation with other riders involved atheism, communism, and deceit.

"I advise anyone thinking of joining the riders to look them over carefully (before deciding)," he said.

The neatly dressed minister met with newsmen in police offices. He was one of six persons arrested at a Jackson bus terminal Friday after a freedom ride from Atlanta to Jackson by way of Montgomery, Ala.

He was convicted later Monday on breach of peace charges and given a 60-day suspended jail sentence plus a $200 fine. He was returned to jail, apparently choosing to work out his fine at the rate of $3 per day.

Gleason said he had read of the rides and decided to join them. He said he flew from Chicago to Atlanta to take part because he felt people should be able to use any cafe or bus and sit where they want to sit.

"I love the Negro people * * * I heard the movement was doing some good in the area of desegregation.

"I had met none of my future partners. If I had, that would be another matter."

When he was arrested, he said, "officers began to tell me about the persons in my party. I went back to the cell and asked them about the records and asked if it was true.

"They said 'Yes, what's wrong with that.' "

He added, "I don't see how any group like that can do anything about segregation in the South."

He said some riders, whom he did not name, said if the Communist Party was doing something worthwhile, they would join the party.

Gleason said the companions told him San Francisco riots were not Communist-inspired and that the Communists were falsely accused.

He did not specify which riots they meant but apparently referred to disorders at a hearing held by the House Un-American Activities subcommittee.

Gleason said he had expected "high type people" on the rides.

He said when he gets out of jail he plans to return to Chicago, where he is a social worker at the Bible Witness Mission on Giles Street.

Mr. JOHNSTON. The Reverend Richard Gleason, 24, said he had read of the riders and decided to join them. He flew from Chicago to Atlanta to take part in the rides. After his arrest and conviction in Jackson, Miss., he was informed by the police as to the character and records of some of his fellow riders. The Reverend Gleason then talked to the riders and asked them if these statements were true, and he quotes them as saying:

"Yes, what's wrong with that?"

The Reverend Gleason further stated that his conversation with other riders involved atheism, communism, and deceit. He said some riders, whom he did not name, said if the Communist party was doing something worthwhile they would join the party.

Mr. President, it is not hard to tie these two articles together and see that these provocations in the South fit exactly into the Communist line. It is also very clear that the people provoking these incidents come from outside the South itself. The people of the South, both white and colored, have worked silently for years, resolving their differences and living in harmony, with mutual respect. The progress they have made has been unprecedented.

In support of this statement, I would like to bring to the attention of Senators at this time another article from the News and Courier, Charleston, S.C., dated June 1, 1961, with a Washington dateline, which reports that the Civil Rights Commission has suppressed an official report showing substantial Negro progress in the South and elsewhere before enactment of the Civil Rights Laws in 1957 and 1960. I ask unanimous consent to have the article printed in the RECORD:

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

NEGRO PROGRESS REPORT SUPPRESSED

(By Roulhac Hamilton)

WASHINGTON.—Objections of a lone Negro member have caused the Civil Rights Commission to suppress an official report showing substantial Negro progress toward full citizenship, in the South and elsewhere, before enactment of the civil rights laws of 1957 and 1960, it was learned Wednesday.

The report was prepared at the direction of the full Commission. After the Commission's staff had compiled heavily documented evidence of Negro advances without help of the recent laws, the Commission voted to suppress the report.

The News and Courier's special correspondent in Washington learned Wednesday that the suppression resulted from the objections of George M. Johnson, the Commission's only Negro member at the time. Johnson, a Howard University law professor and a legal aid of the National Association for the Advancement of Colored People, was serving on the Commission as an interim appointee of President Eisenhower.

While Johnson was the junior member of the Commission, his objections to publication of the report prevailed. The five white members of the Commission knuckled under

to the NAACP spokesman's belief that it would be "unwise" to publish a report showing significant Negro gains, particularly in the South, prior to the 1957 rights law.

The Commission staff, the News and Courier's correspondent learned, spent more than 2 months compiling the 25-year record.

By August 1 of last year, the report, "Civil Rights, 1960: A Progress Report," was ready to show, in some 75 pages, where advancement had been made in the Federal Government, State governments, and city governments, by the Negro. Much documentation was provided.

The report dealt primarily with the South. It found that through the Nation, "one of the most notable marks of progress has been the ever-increasing participation of Negroes and members of other minority groups in the processes of government."

But it said, in some detail, that one of the most significant facts in the progress of the Negro in exercise of his political rights, was the increasing number of Negroes elected to public office at various levels in the South.

Sources within the Commission staff said this portion of the report may have been the reason for the objections of Commissioner Johnson—and presumably of NAACP—to publication of the report. The section appeared to provide solid evidence that political rights are not denied southern Negroes when they choose to exercise them.

Mr. JOHNSTON. The Commission staff had compiled heavily documented evidence to Negro advances without help of the recent laws, and was prepared to issue the report when it was stopped by the objection of George M. Johnson, the Commission's only Negro member at the time. Johnson is a Howard University law professor and legal aid of the National Association for the Advancement of Colored People. He was the interim appointee of President Eisenhower. The article points out that Johnson was a junior member of the Commission, but that his objection to publication caused the five white members of the Commission to acquiesce, reportedly because showing significant Negro gains, particularly in the South prior to the 1957 civil rights law, would be unwise.

The article states that the report dealt primarily with the South, and one of its most significant facts was the progress of the Negro in exercise of his political rights and the increasing number of Negroes elected to public office at various levels in the South. The article quotes sources within the Commission staff as saying that this section appeared to provide solid evidence that political rights are not denied southern Negroes when they choose to exercise them, and evidently these were the reasons for the objection of Commissioner Johnson to issuing the report.

This report may never be published and, even if it were, it would probably never be printed in the large northern newspapers which are read by the rest of the world. This is but one example of how the "paper curtain" has been shrouded around the good side of the South, while the backside has been kicked about at the expense of our own Nation's welfare, and certainly at the expense of good race relations here at home.

The people of the South, both white and colored, have lived together in harmony for generations. They are making at this time, and have made in the past, tremendous strides toward economic improvement and a better life for all. No other section of the Nation can match the progress being made in the South at this time. Everyone in the South, both white and colored, is living a better life. The only race tensions in the South are the result of outside agitators. If these outsiders will depart, then any existing tensions will ease.

Mr. President, I think I have demonstrated that the freedom riders, like other racial agitators, play into the hands of the Communists. In fact, even if the freedom riders were acting in innocence, they are actually doing the work which Communists are at this very moment training themselves behind the Iron Curtain to do.

Some of the great liberal newspapers supporting the freedom riders and other racial strife have referred to the great courage it took for these freedom riders to make their way southward.

I submit to the Members of the Senate that it does not require any courage to be a freedom rider when the bus is going to be met by police, escorted by National Guard troops, and hovered over by airplanes giving protection that the average traveler never knows. I dare say if there had not been all of the organizational hullabaloo and ballyhoo which preceded the departure of the freedom riders for their trip to Louisiana, there would never have been the first incident on the entire entourage. The way in which the so-called freedom riders left their home base left no question but that they were seeking trouble. They would have been the most disappointed people in the world if they had not wound up in the hands of the police, National Guard, and received international publicity.

I submit that, to the contrary, real courage lies elsewhere, and has lain elsewhere for some time. It takes a great deal of courage for two races to live together, as they have done in the South, and to quietly and peacefully and harmoniously solve differences and achieve progress at the same time. The people of the South were doing this until the outside agitators entered the picture.

This is the kind of true courage that built this Nation to what it is today, and this is the sort of true courage that will make it an even greater Nation, and is making the South the outstanding area of our country.

Mob violence, whether it is action as the freedom riders' mob violence was, or whether it is reaction such as the freedom riders meet when they reach some points in the South, is no way to accomplish anything unless you are seeking to create hatred and trouble.

I rise again to defend the words of Harry Truman, "Agitators make me sick."

It is obvious that regardless of a few misguided zealots, the basic purpose of—and certainly the results of—such incidents is embarrassment to the United States. I pray that our Nation will awaken to the wonderful accomplishments of our people in the South, both white and colored, to improve our Nation.

I challenge the great and powerful magazines and newspapers of this Nation to give these people of the South a hand of applause instead of criticism. Start telling the world of our wonderful works. Tell the world of our progress, and quit making an international incident out of every toe that somebody stubs below the Mason-Dixon line.

I challenge these newspapers to follow this new line for America's welfare. I think they will find tremendous solace and satisfaction. There is a basic responsibility that goes with freedom of the press, and that is to help weld together the people of this Nation for a stronger America, and not to use the free press to divide and weaken our country so that it becomes prey for foreign enemies.

MASS TRANSPORTATION SUPPORTED FROM TIMES SQUARE TO HAWAII

Mr. WILLIAMS of New Jersey. Mr. President, I was among the strongest supporters of S. 50 when it passed the Senate by a vote of 76 to 15 in favor of granting statehood to Hawaii.

I was never more sure of the wisdom of that support than the day recently when I received a copy of House Concurrent Resolution 66, adopted by the First Legislature of the State of Hawaii, endorsing S. 345, the mass transportation bill I introduced on a bipartisan basis with 18 other Senators.

One certainly wouldn't think from our impressions of Hawaii as a State of gentle breezes and exotic romance that it would be much interested in the problem of mass transportation.

Yet the legislature, in its concurrent resolution, declared that "the population of the city and county of Honolulu is increasing at an impressive rate resulting in the unprecedented intensification of its vehicular traffic and congestion of existing highways which will continue even after the completion of proposed highways."

The concurrent resolution called for passage of S. 345 and all similar legislation designed to aid in alleviating traffic congestion problems.

Back where the problem is more evident to most of us, I was gratified to note the support of the New York Times, in its editorial yesterday on the "Crisis of the Commuter," for the pending provisions of the housing bill relating to mass transportation.

Emphasizing that the problem is acute and growing worse each day, the editorial declared that while the pending proposals are modest, they represent a start and deserve Senate support.

Mr. President, I ask unanimous consent that the concurrent resolution of the State of Hawaii and the editorial from yesterday's New York Times be printed in the body of the RECORD at this point.

There being no objection, the concurrent resolution and editorial were or-

dered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 66

Whereas the population of the city and county of Honolulu is increasing at an impressive rate resulting in the unprecedented intensification of its vehicular traffic and congestion of existing highways which will continue even after the completion of proposed highways; and

Whereas the cost of acquiring private properties for highways, of relocating people thereby displaced and of planning, engineering, and constructing such highways is extremely high and yet such projects have failed to provide adequate fast, safe, and efficient movement of vehicular and pedestrian traffic; and

Whereas in addition to such huge highway costs, State and county finances are further burdened by the concomitant loss of adjoining property values and tax revenue derived therefrom; and

Whereas substantial funds are required to assist conventional mass transportation systems and to develop alternative plans for and construct and operate other means of rapid transit utilizing private rights of way; and

Whereas there is a bill now pending before the 87th Congress of the United States, entitled S. 345 which would enable the Administrator of the U.S. Housing and Home Finance Agency to assist State and local governments and their public instrumentalities in planning for and providing necessary facilities to preserve and improve essential mass transportation services in urban and metropolitan areas: Now, therefore, be it

Resolved by the House of Representatives of the First State Legislature of Hawaii, in General Session (the Senate concurring), That the honorable Congressmen from Hawaii, Senator HIRAM L. FONG, Senator OREN E. LONG, and Representative DANIEL K. INOUYE be and are hereby requested to actively support U.S. Senate bill S. 345 and all similar legislation designed to aid in alleviating traffic congestion problems facing State and local governments so that such obstacles to the overall economic development of the city and county of Honolulu and the State of Hawaii may be removed or modified; and be it further

Resolved, That certified copies of this concurrent resolution be sent to U.S. Senator HIRAM L. FONG, U.S. Senator OREN E. LONG, U.S. Representative DANIEL K. INOUYE, U.S. Senator HARRISON A. WILLIAMS, of New Jersey, and the Administrator of the Housing and Home Finance Agency of the United States.

[From the New York Times, June 7, 1961]

CRISIS OF THE COMMUTER

One of the features of the omnibus housing bill on which voting in the Senate starts today is the proposal by Senator HARRISON A. WILLIAMS, of New Jersey, to authorize $150 million in loans and grants to assist communities in grappling with emergency rapid transit needs.

Of this sum, $100 million would be made available for low interest, long-term loans for the purchase of facilities and equipment that would help the localities in rehabilitating commuter lines and keeping them running. The remainder (in grants) would be used for longer range probing of more efficient methods of getting commuters to and from their jobs.

The White House would prefer to delay action on this program until the fall. It has not yet decided whether rapid transit is a problem that should be handled by the proposed Department of Urban Affairs. But the commuter crisis is acute. Each new delay is costly. With each passing day, there is further curtailment of rapid transit service and more glut on highways in city and suburb. The Williams program is modest but it represents a start. The proposal deserves Senate support.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as indicated:

By Mr. ALLOTT:

S. 2049. A bill for the relief of Jean Ener; to the Committee on the Judiciary.

By Mr. DODD:

S. 2050. A bill for the relief of Mrs. Bronislawa Slepowronska; to the Committee on the Judiciary.

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

S. 2051. A bill to afford children of certain deceased veterans who were eligible for the benefits of the War Orphans Educational Assistance Act of 1956 but who, because of residence in the Republic of the Philippines, were unable to receive such assistance prior to enactment of Public Law 85-460, additional time to complete their education; to the Committee on Labor and Public Welfare.

RESOLUTION

TO PRINT AS A SENATE DOCUMENT THE PROCEEDINGS OF THE GEORGE W. NORRIS NATIONAL CENTENNIAL CONFERENCE

Mr. KEFAUVER. Mr. President, on behalf of myself, the Senator from Vermont [Mr. AIKEN], and the Senator from Alabama [Mr. HILL], I submit, for appropriate reference, a resolution to authorize the printing, as a Senate document, of remarks honoring the late Senator George W. Norris, delivered at the George W. Norris National Centennial Conference held in Washington, D.C., on May 16 and 17, 1961. This conference was held in observance of the 100th anniversary of the year of the birth of this great American, this distinguished Member of the Senate of the United States for many years.

The George W. Norris National Centennial Conference was addressed by members of the President's personal staff, and by other distinguished Americans. It is particularly fitting that the Senate pay this small tribute to the late Senator Norris by printing the remarks delivered at the Norris National Centennial Conference.

I am personally gratified to have the honor to introduce this resolution, as a Senator from Tennessee, to recognize the many achievements of the late Senator from Nebraska, one of whose outstanding living monuments is the great Tennessee Valley Authority headquartered in my native State. It was typical of Senator Norris to undertake magnificent projects which benefited the Nation, not just his own State. He was, in the words of President Franklin D. Roosevelt, "the very perfect, gentle knight of American progressive ideals." I am pleased to know that the Post Office Department will, on July 11, the 100th anniversary of Senator Norris' birth, issue a commemorative stamp with the words, "Gentle Knight of Progressive Ideals," and with an illustration of Norris Dam in the background.

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

The resolution (S. Res. 157) was referred to the Committee on Rules and Administration, as follows:

Resolved, That there be printed with illustrations as a Senate document the proceedings of the George W. Norris National Centennial Conference, held May 16 and 17, 1961, in Washington, D.C.

PEACE CORPS ACT—ADDITIONAL COSPONSORS OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower, the names of Senators KERR, BUSH, and COOPER be added as additional cosponsors.

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

YOUTH EMPLOYMENT OPPORTUNITIES ACT OF 1961—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 2036) to authorize pilot training and employment programs for youth, including on-the-job and other appropriate training, local public service programs, and conservation programs, the name of Senator RANDOLPH be listed as a cosponsor.

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

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 8, 1961, he presented to the President of the United States the following enrolled bills:

S. 215. An act for the relief of Ennis Craft McLaren;

S. 546. An act for the relief of In Fil Chung, In Ae Chung, In Sook Chung and In Ja Chung;

S. 751. An act to terminate the existence of the Indian Claims Commission, and for other purposes;

S. 949. An act for the relief of John G. Tiedemann; and

S. 1064. An act for the relief of Samuel Pisar.

ADJOURNMENT TO MONDAY

Mr. HUMPHREY. Mr. President, if there be no further business to come before the Senate, I move, under the order previously entered, that the Senate stand in adjournment until 12 o'clock Monday next.

The motion was agreed to; and (at 1 o'clock and 36 minutes a.m., Friday, June 9, 1961) the Senate adjourned, under the order previously entered, until Monday, June 12, 1961, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 8, 1961:

IN THE MARINE CORPS

Lt. Gen. Joseph C. Burger, U.S. Marine Corps, to be placed on the retired list with the grade of lieutenant general pursuant to the provisions of title 10, United States Code, section 5233.

IN THE AIR FORCE

The following officers to be placed on the retired list in the grade indicated, under the provisions of section 8962, title 10, of the United States Code:

In the grade of general

Gen. Frank F. Everest, 366A (major general, Regular Air Force), U.S. Air Force.

Gen. Leon W. Johnson, 88A (major general, Regular Air Force), U.S. Air Force.

In the grade of lieutenant general

Lt. Gen. Elmer J. Rogers, Jr., 294A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Frank A. Armstrong, Jr., 427A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Walter E. Todd, 361A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. William E. Hall, 460A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Emory S. Wetzel, 464A (major general, Regular Air Force), U.S. Air Force.

The following officers to be assigned to positions of importance and responsibility designated by the President in the grade indicated, under the provisions of section 8066, title 10, of the United States Code.

In the grade of general

Lt. Gen. Truman H. Landon, 93A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. William F. McKee, 467A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Walter C. Sweeney, Jr., 555A (major general, Regular Air Force), U.S. Air Force.

Lt. Gen. Bernard A. Schriever, 1519A (major general, Regular Air Force), U.S. Air Force.

In the grade of lieutenant general

Maj. Gen. Edward J. Timberlake, 603A, Regular Air Force.

Maj. Gen. Herbert B. Thatcher, 634A, Regular Air Force.

Maj. Gen. Gordon A. Blake, 532A, Regular Air Force.

Maj. Gen. Gordon A. Blake, 582A, Regular Air Force.

Maj. Gen. Gabriel P. Disosway, 654A, Regular Air Force.

Maj. Gen. Kenneth B. Hobson, 616A, Regular Air Force.

Maj. Gen. John D. Ryan, 1418A, Regular Air Force.

Maj. Gen. Troup Miller, Jr., 559A, Regular Air Force.

Maj. Gen. Robert H. Terrill, 628A, Regular Air Force.

IN THE ARMY

The following-named officers to be placed on the retired list in the grades indicated under the provisions of title 10, United States Code, section 3962:

To be generals

Gen. Clyde Davis Eddleman, O15842, Army of the United States (major general, U.S. Army).

Gen. Charles Day Palmer, O15519, Army of the United States (major general, United States Army).

To be lieutenant general

Lt. Gen. Harry Purnell Storke, O16468, Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Hamilton Hawkins Howze, O18088, Army of the United States (brigadier general, U.S. Army), in the rank of lieutenant general.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 8, 1961:

DEPARTMENT OF THE INTERIOR

Clarence F. Pautzke, of Washington, to be Commissioner of Fish and Wildlife, Department of the Interior.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointments, to the grade indicated, in the Coast and Geodetic Survey:

To be ensigns

William E. Blankinship, Jr.	William B. Merselis
L. Logan Boles	Arthur L. Moshos
George M. Cole, Jr.	Edward J. Murphy
Darrell W. Crawford	William H. O'Hanlon
William E. Gott	Sigmund R. Petersen
C. William Hayes	Leonard E. Pickens
Archie L. Higgins	Saul Rosenberg
Richard N. Hune	B. J. Taylor, Jr.
Seymour R. Kotler	Andrew Tczap
James T. Lane	Ronald D. Walkenspaw
J. Rodney Lewis	Richard E. Williams
Robert J. Lewis	William B. Williford III

EXTENSIONS OF REMARKS

Freedom To Choose

EXTENSION OF REMARKS

OF

HON. THOMAS J. DODD

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, June 8, 1961

Mr. DODD. Mr. President, last Sunday, June 4, it was my privilege to make the commencement address at the graduating exercises of the University of Dallas, in Dallas, Tex.

It is always exhilarating to visit the southwestern section of the United States. There is a certain air of self-reliance, optimism, and confidence in America that is reflected in the phenomenal growth of this region and that bodes well for the future of our country.

I was greatly impressed by what I saw at the University of Dallas. It is a thriving, flourishing institution with an outstanding faculty dedicated to ever higher standards of excellence. The president of the University of Dallas, Dr. Robert Morris, is well known to many of us in the Senate. He formerly served as chief counsel of the Senate Internal Security Subcommittee and has long been one of America's most effective and articulate spokesmen in the struggle of freedom against communism.

I express my congratulations to President Morris on the great work he is doing in Dallas and to congratulate as well the fine young men and women of this year's graduating class.

In my remarks I tried to point out that the underlying theme of Western civilization is "freedom to choose" and that the goal of expanding freedom is not consistently pursued by either liberal or conservative branches of political thought.

I ask unanimous consent that these remarks be printed in the RECORD.

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

FREEDOM TO CHOOSE

(Commencement address delivered by Senator THOMAS J. DODD, of Connecticut, at the University of Dallas commencement exercises, Dallas, Tex., June 4, 1961)

Commencement day is always an impressive and unforgettable experience, for it is the time when young men and women, who only yesterday were children, depart from the college campus, equipped with the best that our society can give them, and commence to play an active role in our national life. We, of course, hope that their long exposure to the values of Western civilization has instilled in them a certain approach toward the problems of our society, a steadfastness in support of our traditional religious and political concepts, a partisanship for the cause of freedom.

If I could refine and distill into one simple phrase the essence of our spiritual and political heritage, I would use the phrase "freedom to choose."

And if I could point to one fundamental fact that is at the root, of both our religious and political institutions, it would be this: Every human being is of infinite worth because God created him and redeemed him, endowed him with a conscience and a free will, pursues him constantly with love and with grace, has a unique plan for him in this world and an eternal reward for him in the next, and so respects his freedom as to allow him by his own free choice to accept or reject that plan and that reward.

"His own free choice." Here is the foundation upon which we in America have built an edifice of political and religious freedom. Here, certainly, resides the true meaning of the phrase "the dignity of man."

This awesome fact of man's origin and nature ought to be the central truth in which all of our institutions are grounded. Society ought to be designed for the purpose of creating and maintaining those conditions under which the individual can best work out his own destiny through thousands of free choices, can best develop the talents that came to him from the hand of God, can best discover and realize the role which was intended for him from the beginning of time. Above all else, the aim of society should be to protect and perfect this instrumentality of free choice and to remove those