NEW MEXICO

Salomon O. Telles, La Mesa, N. Mex., in place of Daniel Moreno, removed.

NEW YORK

John L. Kress, Jr., Galway, N.Y., in place of J. T. Hunter, retired.

Lois E. McKeon, Pattersonville, N.Y., in place of M. A. Cunningham, retired.

John T. Wallace, Pine Hill, N.Y., in place of M. J. Passenar, retired.

Maurie G. Flanigan, Slingerlands, N.Y., in place of W. P. Degenaar, retired.

Robert A. Nussbaum, West Hurley, N.Y., in place of L. E. Joyce, retired.

NORTH CAROLINA

William A. Burch, Jr., Bat Cave, N.C., in place of D. T. Freeman, retired.

Herman M. Wilson, Brasstown, N.C., in place of Iowa Green, retired.

Mary I. McLeod, Buies Creek, N.C., in place of H. L. Avent, retired.

Gilbert M. Bailey, Carthage, N.C., in place of C. B. Shaw, retired.

Joseph B. Wall, Chocowinity, N.C., in place of E. B. Godley, retired.

Herbert Q. Hocutt, Clayton, N.C., in place of P. A. Williams, retired.

Clyde D. Stowe, Jr., Dallas, N.C., in place of G. L. Friday, resigned.

Della M. Galloway, Grimesland, N.C., in place of B. M. Godley, retired.

Elmer V. Wood, Jr., Stokesdale, N.C., in place of H. G. Cook, retired.

Clifford G. Watts, Taylorsville, N.C., in place of C. C. Munday, retired.

OHIO

Robert H. Cassel, Aurora, Ohio, in place of M. P. Mowl, retired.

Charles J. Sonnhalter, Canal Fulton, Ohio, in place of F. G. Schalmo, retired.

OKLAHOMA

James E. Fesperman, Bokoshe, Okla., in place of O. C. Broking, retired.

Ford H. Sims, Martha, Okla., in place of W. O. Rowsey, deceased.

Josephine R. Bayliff, Rosston, Okla., in place of R. J. Price, retired.

PENNSYLVANIA

Richard Wasser, Bedminster, Pa., in place of M. F. Wasser, retired.

Dorothy R. Karpyn, Egypt, Pa., in place of E. A. Breinig, retired.

Henry R. Beitler, Old Zionsville, Pa., in place of H. S. Miller, retired.

Glen E. Cluck, Waynesboro, Pa., in place of C. L. Johnston, retired.

Carl F. Hynek, Jr., Willow Grove, Pa., in place of H. T. McEvoy, removed.

PUERTO RICO

Juan Sanchez De Jesus, Vega Baja, P.R., in place of R. O. Colon, removed.

SOUTH CAROLINA

W. Robert Cooper, Jr., Lane, S.C., in place of J. A. Montgomery, retired.

Bette J. Perritt, Peedee, S.C., in place of I. M. Perritt, retired.

Guy H. Smith, York, S.C., in place of G. C. Cartwright, retired.

SOUTH DAKOTA

Elvera Pitzl, Eden, S. Dak., in place of G. A. Pitzl, deceased.

TENNESSEE

Joseph T. Coffman, Cedar Grove, Tenn., in place of W. L. Wildridge, transferred.

Joseph M. Little, Clarkrange, Tenn., in place of E. M. Peters, retired.

Robert H. Van Hooser, Huntland, Tenn., in place of A. E. Staples, retired.

Faylah D. Looney, Iron City, Tenn., in place of Ruby Hensley, transferred.

George M. Koontz, Petros, Tenn., in place of W. E. Hobbs, retired.

Norman L. Thomas, Trade, Tenn., in place of T. R. Grayson, retired.

TEXAS

Clyde C. Crews, Alvord, Tex., in place of W. E. Howell, transferred.

Delbert C. Amos, Bellaire, Tex., in place of L. L. Rosner, retired.

Malcolm O. Daugherty, Cherokee, Tex., in place of Graves Burke, retired.

Russell W. Smith, Floresville, Tex., in place of E. W. Franklin, retired.

James W. McMillan, Kingsville, Tex., in place of P. D. Cauley, Sr., retired.

Lee M. Robertson, Lakeview, Tex., in place of L. A. Leggitt, transferred.

Easter L. Sikes, La Villa, Tex., in place of L. B. Burke, retired.

Leslie L. Sansom, Leakey, Tex., in place of Sallye Godbold, retired.

Henry N. Mullins, Malone, Tex., in place of G. M. Mann, transferred.

Irene F. Pfluger, Pflugerville, Tex., in place of G. L. Fowler, deceased.

William C. Copeland, Purdon, Tex., in place of A. W. Mosley, transferred.

David F. Renfro, Zavalla, Tex., in place of C. A. Barge, Jr., transferred.

VIRGINIA

Edward A. Coleburn, Accomac, Va., in place of K. C. Ross, retired.

Bernard R. Shrader, Cedar Bluff, Va., in place of R. L. Williams, resigned.

Eva B. Toner, Claremont, Va., in place of Rudolph Shiffer, deceased.

Robert T. Gillette, Courtland, Va., in place of B. A. Williams, Jr., resigned.

Murphy H. Elder, Cullen, Va., in place of J. R. Williams, retired.

Mary O. Padgett, Goode, Va., in place of J. S. McCauley, retired.

Arleigh P. Surface, Selma, Va., in place of T. R. Apperson, removed.

WASHINGTON

Dorothy D. Eldridge, Fox Island, Wash., in place of C. R. Bowyer, retired.

John R. Atherton, Sunnyside, Wash., in place of W. K. Munson, deceased.

Raymond J. Marr, Touchet, Wash., in place of M. L. Hanson, retired.

Helen K. Grantham, Yacolt, Wash., in place of E. S. Baccus, retired.

WEST VIRGINIA

Margaret M. McCormick, Anawalt, W. Va., in place of Wash Hornick, Jr., resigned.

Chloe Stevenson, Capels, W. Va., in place of M. A. Arnold, resigned.

Joseph E. Vasil, Cassville, W. Va., in place of Michael Hando, deceased.

Charles A. Crumrine, Middlebourne, W. Va. in place of H. H. Crumrine, deceased.

WISCONSIN

Ellsworth J. Honish, Camp Douglas, Wis., in place of R. W. Singleton, resigned.

David B. Johnson, Chaseburg, Wis., in place of J. W. Johnson, transferred.

Ernest R. Overman, Pembine, Wis., in place of A. C. Swanson, retired.

James P. Meyers, Potter, Wis., in place of R. G. Duchow, deceased.

Clarence J. Scharpf, Rubicon, Wis., in place of W. J. Sonnentag, retired.

James N. Pomes, Three Lakes, Wis., in place of Gaylord Helmick, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 22, 1961:

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS

Robert M. McKinney, of New Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

Mercer Cook, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Niger.

Philip M. Kaiser, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Senegal, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Islamic Republic of Mauritania.

Robinson McIlvaine, of Pennsylvania, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Dahomey.

U.S. ADVISORY COMMISSION ON INFORMATION

James Leonard Reinsch, of Georgia, to be a member of the U.S. Advisory Commission on Information for the term expiring January 27, 1964, and until his successor has been appointed and qualified.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 22, 1961

The House met at 12 o'clock noon.

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

The prayer of King Solomon, I Kings 3: 9: *Give Thy servant an understanding heart to judge Thy people, that I may discern between good and bad.*

Eternal God, in whom our life finds its source of power and the secret of all hope, grant that daily we may receive the insight that discerns Thy ways and the inspiration that renews our strength to walk in them.

Bestow upon us the blessing of Thy companionship and consolation when our hearts are wounded and desolate by reason of some bitter sorrow and our very faith seems to be eclipsed by the dark clouds of fear and foreboding.

Enable us to bear our trials and tribulations with such a strong and intrepid confidence that all with whom we come into contact may see and know that we are being sustained by Thy grace.

May we be coworkers in attaining unto a noble life and comrades in the task of encouraging mankind to hold with tenacity and perseverance those precepts and principles which are incumbent upon all alike.

Hear us in the name of our blessed Lord in whom Thou hast revealed Thy mind and heart. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1441. An act for the relief of certain aliens;

H.R. 1642. An act for the relief of Mrs. Lilyan Robinson;

H.R. 1677. An act for the relief of Elie Hara;

H.R. 1710. An act for the relief of Narinder Singh Somal;

H.R. 1717. An act for the relief of Angelo Li Destri;

H.R. 1718. An act for the relief of Jaime E. Concepcion;

H.R. 1860. An act for the relief of Jovenal Gornes Verano;

H.R. 1888. An act for the relief of Tomislav Lazarevich;

H.R. 2152. An act for the relief of Mrs. Francisca Hartman;

H.R. 2351. An act for the relief of Hans Hangartner;

H.R. 2671. An act for the relief of Giovanna Bonavita;

H.R. 2991. An act for the relief of Joseph Maz;

H.R. 3146. An act for the relief of Jozef Gromada;

H.R. 4023. An act for the relief of Mieczyslaw Bajor;

H.R. 4201. An act for the relief of Evangelia Kurtales;

H.R. 4482. An act for the relief of Urszula Sikora, Radoslav Vulin, and Desanka Vulin; and

H.R. 5416. An act to include within the boundaries of Joshua Tree National Monument, in the State of California, certain federally owned lands used in connection with said monument, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 19. An act for the relief of Mrs. Takimi Yamada;

S. 146. An act to extend and increase the special milk program for children;

S. 231. An act for the relief of Helga G. F. Koehler;

S. 332. An act for the relief of Franciszek Roszkowski;

S. 491. An act for the relief of Emmanuel Epaminondas Skamangas;

S. 1007. An act for the relief of Sara Mishan;

S. 1100. An act for the relief of Sang Man Han;

S. 1405. An act for the relief of Aram Fayda and his wife, Elena Fayda;

S. 1432. An act for the relief of Shau Ying Lin, and her children, Gee Chek Lin, Gee Ming Lin, and Chi Fong Lin;

S. 1549. An act for the relief of Leonarda Cocuzza;

S. 1576. An act for the relief of Wen Nong Wong;

S. 1645. An act for the relief of Clarinda da Veiga;

S. 1673. An act for the relief of Blagoje Popadich;

S. 1785. An act for the relief of Eduardo Giron Rodriguez;

S. 2051. An act 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;

S. 2083. An act to correct a technical inaccuracy in the act of May 19, 1961 (Public Law 87-36); and

S. 2113. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions.

The message also announced that the Senate had passed a resolution, as follows:

SENATE RESOLUTION 148

Resolved, That the Senate does not favor the Reorganization Plan Numbered 1 of 1961 transmitted to Congress by the President on April 27, 1961.

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

S. 277. An act for the relief of Erica Barth; and

S. 1343. An act for the relief of Dr. Tung Hui Lin.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 610) entitled "An act to strengthen the domestic and foreign commerce of the United States by providing for the establishment of a U.S. Travel Service within the Department of Commerce and a Travel Advisory Board.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1962

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday night to file a report on the bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1962.

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

There was no objection.

Mr. FORD reserved all points of order on the bill.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 94]

Buckley	Grant	Norrell
Cederberg	Gray	Powell
Coad	Green, Oreg.	Rivers, Alaska
Davis, Tenn.	Hosmer	Roberts
Dingell	Kearns	Roosevelt
Dominick	Kilburn	Tupper
Flynt	Laird	Van Pelt
Forrester	Merrow	Young

The SPEAKER. On this rollcall 412 Members have answered to their names, a quorum.

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

ANNOUNCEMENT

The SPEAKER. Those committees or subcommittees that think they have permission to sit during the session of the House this afternoon do not have it because that permission is hereby revoked.

HOUSING ACT OF 1961

Mr. RAINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6028) 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.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6028, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read section 1 of the committee substitute beginning line 5, page 58.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment in the form of a substitute.

The Clerk read as follows:

Substitute amendment offered by Mr. McDONOUGH of California:

Strike out all after the enacting clause and insert the following: "That this Act may be cited as the 'Housing Act of 1961'."

"FHA INSURANCE PROGRAMS

"SEC. 2. (a) Section 2(a) of the National Housing Act is amended by striking out in the first sentence '1961' and inserting in lieu thereof '1962'.

"(b) Section 203(a) of such Act is amended by striking out the colon and all that follows the colon and inserting in lieu thereof a period.

"(c) Section 217 of such Act is amended—

"(1) by striking out 'all mortgages which may be insured' and inserting in lieu thereof 'all mortgages and loans which may be insured';

"(2) by striking out 'shall not exceed' and the remainder of the first paragraph and inserting in lieu thereof the following: 'after October 1, 1962, shall not exceed the sum of (1) the outstanding principal balances as of that date of all insured mortgages and loans (as estimated by the Commissioner based on scheduled amortization payments without taking into consideration prepayments or delinquencies), and (2) the principal amount of all outstanding commitments to insure on that date.';

"(3) by inserting 'after October 1, 1962' before the period at the end of the first sentence in the third paragraph; and

"(4) by striking out 'hereafter' in the second sentence of the third paragraph and inserting in lieu thereof 'after that date'.

"(d) Section 803(a) of such Act is amended by striking out '1961' and inserting in lieu thereof '1962'.

"DIRECT LOANS FOR THE ELDERLY

"SEC. 3. Section 202(a)(4) of the Housing Act of 1959 is amended by striking out '$50,000,000' and inserting in lieu thereof '$100,000,000';

"URBAN RENEWAL CAPITAL GRANT AUTHORIZATION

"SEC. 4. Section 103(b) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: 'The Administrator may, with the approval of the President, contract to make grants under this title aggregating not to exceed $2,000,000,000. In addition to amounts authorized under the preceding sentence, there is authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants under this title, the sum of $500,000,000; and amounts so appropriated shall remain available until expended.'

"COLLEGE HOUSING LOAN AUTHORIZATION

"SEC. 5. Section 401(d) of the Housing Act of 1950 is amended by striking out the first colon and all that follows and inserting in lieu thereof the following: ', which amount shall be increased on and after July 1, 1961, by such amounts, not exceeding $300,000,000

in the aggregate, as may be specified from time to time in appropriation Acts: *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed $175,000,000, which limit shall be increased on and after July 1, 1961, by such amounts, not exceeding $30,000,000 in the aggregate, as may be specified from time to time in appropriation Acts: *Provided further*, That the amount outstanding for hospitals, referred to in clause (2) of section 404(b) of this title, shall not exceed $100,000,000, which limit shall be increased on and after July 1, 1961, by such amounts, not exceeding $30,000,000 in the aggregate, as may be specified from time to time in appropriation Acts.'

"AUTHORIZATION FOR PUBLIC FACILITY LOANS

"SEC. 6. Section 203(a) of the Housing Amendments of 1955 is amended by inserting after '$150,000,000' the following: 'which limit shall be increased by such amounts, not exceeding $50,000,000 in the aggregate, as may be specified from time to time in appropriation Acts,'.

"FARM HOUSING LOANS

"SEC. 7. Sections 511, 512, and 513 of the Housing Act of 1949 are each amended by striking out '1961' and inserting in lieu thereof '1962'.

"VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

"SEC. 8. Section 610(a) of the Housing Act of 1954 is amended by striking out '1961' and inserting in lieu thereof '1962'."

Mr. McDONOUGH. Mr. Chairman, those of you who were here during general debate have heard the details of the bill before you thoroughly explained. It is a bill that incorporates many things that we have heretofore not experienced in financing under FHA and in appropriating funds under the previous housing acts. It is a 4-year bill, and the amounts for the various agencies of the Housing Administration are consequently increased not four times in some cases but many more times than will be required for 4 years.

There is no limitation so far as the bill before you is concerned as to how soon these sums could be committed. Although it is a 4-year bill many of the funds could be committed within 6 months after the bill is passed.

This substitute provides a 1-year housing bill. You may hear that this is suddenly thrust upon the Congress, that we have not had a chance to consider it, that there have not been adequate hearings on it, and so forth. But there have been adequate hearings on this substitute, because there is nothing in this substitute that is not in the bill before you. All the features of the bill before you have been thoroughly gone over and all of the agencies that are provided with moneys for a 4-year operation are in this substitute provided moneys for a 1-year operation.

It has been variously estimated that the bill that was debated yesterday would carry an obligation of some $9 billion in total moneys that we would be obligated for if we assumed 100,000 public housing units that are included in it. A comparison between that and the substitute before you would show a difference of about $7.5 billion. This substitute will obligate the Government for not more than approximately $1.1 billion, while the bill before you will obligate the Government for more than $9 billion and would subordinate the authority of the Congress from any further consideration of housing bills for another 4 years.

In other words, title I, for home repair and improvement insurance would be included in this substitute. The FHA mortgage insurance authorization is also included.

The Capehart military housing program is included in this substitute. The elderly housing direct loan program would be provided an additional $50 million of loan authority.

The urban renewal grant authorization would be increased by $500 million. The bill before you is asking for $1.2 billion. The college housing authorization program is increased by $300 million.

On urban renewal the bill before you is asking for $2 billion. For college housing they are asking $1.2 billion. The public facilities loan program—that is, the community facilities program—is increased by $50 million. And, incidentally, that is the amount that the administration asked for, but the committee increased it to 10 times that amount. The bill before you calls for $500 million and this substitute calls for $50 million.

Let me say that I know I am not informing you of anything. I am sure you will agree that if we had $2 billion in here for community facilities you would have orders from the cities and the States asking for that money. If you had $5 billion for college housing you would have demands for it. If you had twice the amount for urban renewal you would have demands for it.

If the Federal Government is going to adopt the grandiose idea of offering the taxpayers' money to the various States and counties under subsidized interest rates, or low interest rates, and long terms, I do not know how carefully those terms will be abided by. But over the years they say they have been rather conscientious in repaying them.

The CHAIRMAN. The time of the gentleman from California [Mr. McDONOUGH] has expired.

Mr. McDONOUGH. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Chairman, I do not want to leave the subject of this substitute without the Committee having full knowledge of what it contains. I think we have to consider the responsibility of fiscal order in the administration of this Government. We are going to have to vote on an increase in the national debt next week, by another $5 billion. We have passed bills to retain taxes that we thought we were going to be able to repeal. We are getting down in deficit spending to the point where the value of the dollar is declining rapidly.

This bill before you is an encouragement to the cities and the counties to subordinate their authority to the Federal Government by asking for funds to do things that they say they cannot do for themselves.

Do you know that in addition to the urban renewal we are now financing in the country there are millions of dollars of urban renewal going on as a result of large office buildings and shopping centers being constructed under private enterprise in certain areas, where homes, even desirable homes, are being purchased and removed to make room for these improvements? These things are done under private enterprise. We have increased the grants and loans under urban renewal to the point that we are now obligated up to more than $2 billion, and this adds $2 billion to that amount.

This substitute provides for $500 million for continuing urban renewal, but not the $2 billion asked for. The community facilities are taken care of.

I appeal to your sense of reason, your sense of economy, your sense of responsibility to support this substitute because no one is going to be injured if the substitute passes and the present bill is defeated. If the present bill is passed we are simply saying to the country that here is a 4-year program to spend approximately $9 billion if all of the features of the bill are implemented and taken up by the cities, the counties, and the States.

Mr. RAINS. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. Chairman, I have been around here for a good many years, but, very frankly, this is the most incredible maneuver affecting a substitute that I have ever been confronted with. It has been kept some kind of secret. It has not even been printed as of now. It was slipped out by the rumor factory to various reporters and even the reporters apparently were not given the details of it. It is brought here before the Congress of the United States dealing through its committees and suddenly read and described for barely 8 minutes by one Member, and it is suggested that you throw in the trash can the long months of hard toil of one of your hardest working committees, and that you throw away entirely the recommendations of the administration and President Kennedy.

I assume the sponsors of the amendment could not have much hope that it had any possible way of passing, because there is not a man sitting here today, including myself, and I keep up with it very well, who knows what is in it.

I will tell you what I understand the substitute will do. It cuts out of the bill every single item in which my southern colleagues are interested, and I lay that on the line. It cuts out of the bill the items in which the Far West is interested. It completely robs the bill of any semblance of being a housing bill, because time after time I have heard the mayor of the great city of Los Angeles, a close personal friend of the distinguished gentleman from California, occupy the witness stand before my committee and say that the main thing that urban renewal needs is a continuing authority so that cities can plan ahead.

Yet, a distinguished Congressman from that great city seeks to limit urban renewal to a 1-year operation.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I decline to yield, I did not interrupt the gentleman.

Mr. McDONOUGH. That is a defeated mayor that you are talking about.

Mr. RAINS. Yes, and I understand he was defeated by a Democrat—that is a good trend.

The idea here is to cut down, for instance, the farm housing program. I did not get to mention that yesterday. I do a lot of work and toil for the great cities of this country as a Member of Congress, and I hail from a small town, as you Members know. But, one of the things I think you should not forget is that there are more slums, and I measure my words, on the farms of America than there are in the cities of America, and the best we have ever been able to do for them is a program through the Farmers Home Administration which was strangled to death by the preceding administration.

Today, we have put back in this bill some money to be used for the Farmers Home Administration to help farmers get low cost, well built homes. Yet, this substitute would cut it to practically nothing. The result being, if you adopt the substitute, you are going to kill for all intents and purposes the 4-year program for the farmers of this country for farm homes.

Let me tell you something about it. Somebody said "Will the farmers pay for the loans?" They are 116 percent overpaid. The program does not cost the Government a dollar. Yet, my good friend from California, for some mysterious purpose, would deny those of us who hail from the rural regions any consideration at all in his great secretive substitute amendment. This substitute is not meant to be a housing bill—it is actually meant to be an insult to the people who think we ought to have some type of program to meet the housing needs of the people of America.

One other thing, Mr. Chairman. I have been, as I said yesterday, a little bit amazed at the heat that was put on the so-called 40-year loan.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAINS. Mr. Chairman, I am not going to argue the pros and cons of the 40-year loan now because, actually, we have two or three 40-year programs in the law now, and they have been in the law for a long time and they are going along well. In any case for reasons I explained yesterday if the substitute, if it may be called that, is voted down, and I certainly trust that it will be voted down, I intend to offer an amendment to reduce the 40-year loan to a 35-year loan with a 3-percent downpayment, which will put it in line with other FHA loans. When that is done, then I cannot understand how anyone could oppose that kind of straight private enterprise mortgage loan system to help people in the $4,000 to $6,000 group.

Mr. Chairman, it is absolutely essential then, if we are really going to work on the housing bill, that has had arduous and careful study and consideration, that we vote down the amendment or the substitute and then get to whatever amendments we ought to put in the committee bill. I respectfully request that the Committee of the Whole uphold the hand of your committee and then, if you want to vote for amendments to the committee bill, that would be the proper procedure, and I would greatly appreciate it.

Mr. Chairman, I yield back the balance of my time.

Mr. WIDNALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the committee substitute, because I think it will more than adequately take care of the necessary housing needs of the United States, of the proven programs and the needed funds for those programs, and will maintain within control of the Congress the power of review of operation of the programs as they progress.

I would like to call the attention of the distinguished chairman of the subcommittee to the fact that in the past we have offered substitute bills that have been printed well in advance, available to all Members of the House, yet we have always been met with the excuse that there was no opportunity to study the bill even when the substitute bill has been based on exactly the same information produced before the committee, like this one, available to all. It does not change an existing program, and it meets the needs that we require at this time.

I want to read for the RECORD what is in the substitute, summarized so that everybody can understand.

First. The FHA title I home repair and improvement insurance authority would be extended for 1 year.

Second. The FHA mortgage insurance authorization would be extended for a period of 1 year.

Third. The FHA Capehart military housing program would be extended for 1 year.

Fourth. The elderly housing direct loan program would be provided an additional $50 million of loan authority.

This is important. That was the amount requested by the administration.

Fifth. The urban renewal grant authorization would be increased by $500 million to provide for a 1-year program.

In the current bill there is $2 billion which is supposed to be for 4 years, so how is urban renewal being gutted if we give exactly the same amount for the first year as was in the committee bill presented to the Congress?

Sixth. The college housing loan authorization would be increased by $300 million to provide for a 1-year program.

Seventh. The public facility loan program would be granted an additional $50 million of loan authority to provide for a 1-year program. This was the amount of increase requested by the administration.

Eighth, and this is important, I would say to the gentleman from Alabama. The gentleman just made what I believe was an incorrect statement to the House when he called upon his southern colleagues to realize that the farm housing program had been gutted.

Ninth. The farm housing loan program would be extended for a 1-year period through reviving loan authorization otherwise expiring June 30 of this year. The amount available would approximate $207 million. The administration did not request any additional increase.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield, I hope the Members will pay attention to this for it relates to the matter of rural operations about which the gentleman from Alabama talked just a moment ago.

Mr. WIDNALL. Tenth, the substitute would extend the voluntary home mortgage credit program for 1 year.

In all cases where there are new authorizations of funds, the authorizations would require approval of the Appropriations Committee before funds could be committed by contract or before funds could be withdrawn from the Treasury. In other words, the substitute completely eliminates back-door spending.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

By unanimous consent, Mr. WIDNALL was allowed to proceed for 5 additional minutes.

Mr. WIDNALL. Mr. Chairman, on June 20, 1961, the distinguished chairman of the Housing Subcommittee inserted on pages 10888–10890 of the RECORD a list of applications pending in the Urban Renewal Administration central office for which funds are not available as of June 9, 1961. The statement was made by the gentleman from Alabama that the fate of these new projects "depends on prompt approval" of this housing bill.

My staff has had an opportunity to review only the applications in regions I and IV, and we find some amazing evidence.

For example, there is a total of 27 project applications in 22 cities in region I, which comprises all of the New England States and New York. The total dollar volume of applications is $109,571,368, according to the RECORD.

However, according to the December 31, 1960, Urban Renewal Project Directory, 12 of these 22 cities already have a total of 45 projects, the funds for which were earmarked or contracted for in past years. These projects represent a total of $138,485,105—money which, according to the latest available URA Directory, still remains undisbursed.

In region IV, comprising Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin, there are 23 project applications pending in 19 cities, representing a dollar amount of $40,241,417. However, 15 of these same cities have already received urban renewal contracts for 59 projects and of the money involved $161,832,198 remains undisbursed.

The city of Chicago is listed as having an application for three projects involving almost $3 million in capital grants. Yet, Chicago has now pending 25 projects involving $86,424,075, which still remains undisbursed.

One must wonder, therefore, why the rush to approve a 4-year bill. Certainly the facts do not substantiate the allegation that the urban renewal program will be retarded if the Congress enacts a 1-year housing bill.

Mr. Chairman, may I say to my colleague from Alabama [Mr. RAINS], that many members of the House Banking and Currency Committee have thought for months it would be great wisdom if our subcommittee would look into the misuse and abuse of funds in the urban renewal program. We have not done that, we have not accepted the challenge that is there for us from the evidence that has been submitted to the committee and that which has appeared in the press.

I take as a typical example an article which appeared in the New York Times of June 10, 1961, headlined, "Gracious Living in Tuxedo Park Aided by Urban Renewal Grant."

Tuxedo Park has for years been known as the spot where only the wealthy could live. It has gracious living, it is a beautiful place, there are no slums in Tuxedo Park, yet $5,000 is now being given Tuxedo Park so that gracious living may continue. Is that the original purpose of urban renewal

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I want to point out to the gentleman from New Jersey who I think does know Tuxedo Park slightly at least that he has been grossly misinformed if he thinks it is a home of the wealthy. I can show him that that $5,000 is as badly needed there as at any other place in the country.

Mr. WIDNALL. An attitude is being built up that creates in the minds of the people back home a desire to have the great white father in Washington solve all of their problems. A Republican mayor in my district sent word to the school board in that district advising them not to go ahead with any school projects until they have received the money from Washington. They were perfectly able and capable of taking care of their own needs.

In the same way a city in my district participated in the water pollution program and received $125,000 from the Federal Government. It prides itself in advertising that it is the wealthiest city per capita of any in the United States.

This program was never intended for municipalities with the wealth that municipality has. I think it is dangerous to encourage this type of thinking. Yet we are doing it and making it a wide-open grab bag when we try to provide $500 million more for subsidized community facility loans in the committee bill for this purpose.

The $50 million in the substitute bill is perfectly adequate. That was in the Kennedy administration request. And, I believe, the responsible action of the Congress will be to vote for and enact the substitute.

Mr. CLEM MILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to address myself to the 40-year mortgage program. I believe that section of the substitute deleting the 40-year mortgage certainly is most wrong. The 40-year mortgage is being looked on with a great deal of favor by builders throughout the country. To many builders, this section gives the greatest promise. I know that this is being described as a builder's bill, but I would like to ask my colleagues, What is wrong with a builder's bill if it does no harm to any segment of our economy? If it does no harm to the taxpayers of this country, or the U.S. Government, or to homebuyers or lenders, why should we not assist the builders? Homebuilding at the present time is in the doldrums. For the California area I am familiar with there is no activity at all. Take a builder who customarily puts up 2,000 homes in 6 months, the last 6 months built only 250. This is a typical sample. Homes are not moving, prospects are poor, and buyers are not buying.

The provisions in this bill do not hurt the U.S. Government. The experience gained during the last several years with 40-year mortgages has shown a loss of less than one-half of 1 percent for the United States. Second, the lenders do not have to lend to anyone if they do not wish to, so they are not going to be hurt. Third, buyers are not going to be hurt. They are not going to be hurt because they will have a chance to own a home rather than a drawer full of rent receipts. In fact, the buyer will be benefited. He will be able to buy a better house than he can rent at a lower price than his rent money. Let us look at this a moment. The 40-year mortgage will save a buyer $7.50 a month over what he would have to pay at the present time. He could qualify for a new home with a lower salary, lower by $40, than he can now qualify. It means, in total, that a family can live in a new house for $90 a month, when used, inferior shelter units for comparable income families will be renting for $115, which is more than this income bracket should be paying out for shelter.

I must say with regret that the 35-year, 3-percent downpayment plan proposed is not going to help anyone. It is not going to lower the downpayment which must be paid today to any significant degree. It must be realized that homeowners now pay a substantial amount to move into a $15,000 house—$750 to $1,000. Tack the downpayment on top of that, and the total is $1,500. Buyers cannot stand it, so I must conclude that the proposed amendment will do the industry no good, and make no new home buyers. I say this 40-year program does not hurt the lenders; it does not hurt the buyers; it does not hurt the U.S. Government, and it certainly helps the builders. I say, therefore, it should be included in this bill.

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there seems to be the usual confusion here this afternoon. The gentleman from California [Mr. MILLER] who preceded me, I presume, was speaking for the bill and against the substitute; yet I judge from his remarks as I listened that he really should be on the side of those of us who are supporting the substitute.

For example, the gentleman referred to the 40-year no-downpayment plan. The mystery about this bill before us is that, as I understand, there will not be a 40-year no-downpayment plan any longer.

The gentleman from Alabama [Mr. RAINS], in speaking against the substitute, referred to the mystery of the substitute. There is more mystery in the bill before you than there is in the substitute that we advocate. First of all, the bill before you calls for a 40-year no-downpayment provision. Somewhere in the Committee of the Whole you are going to be offered a change; we do not know what it is. We who served on the Housing Subcommittee and the full committee of the Committee on Banking and Currency were not advised as to these changes. The changes will come at this point.

The bill before you calls for an open-space program, and somewhere along the line we are going to get an amendment to change that language.

I still do not know, and you do not know if we are going to get language to change the dollar amount involved. If there is a mysterious bill before the House, it is the bill as approved by the Banking and Currency Committee, and not the bill that we intend to perfect by means of this solid, substantial substitute.

The gentleman from Alabama [Mr. RAINS] I am sure, without intending to do so, added to the possible confusion that exists by saying that the purpose of the substitute was to gut the bill. This is technically impossible because when the House adopts the substitute, as we hope in its wisdom it will, obviously we have to go to conference. We are not gutting that bill. We are going to conference with the Senate bill. You are going to have a substantial House bill. This substitute offered by the gentleman from California [Mr. MCDONOUGH], is a good, solid, substantial congressional housing bill.

I would like to remind the House that we are going to be in session in 1962. We are not going to be back home in the slums of the little villages, which the gentleman from Alabama so eloquently described. We will be here representing the people who elected us.

Under the committee bill you are abdicating your responsibility in the field of housing for 4 years. Basically what we do with this substitute bill is give you a chance year after year to review the housing program, to come up with a substantial housing program in order to do the things that are actually needed. This is a program of responsibility. This is a responsible, sound housing proposal.

An awful lot has been said in the last few days about the condition of the Federal Treasury with reference to the deficit and national debt. The Secretary of the Treasury in recent days was quoted as predicting a budget surplus in fiscal 1963 and 1964 in anticipation of a certain boom in the economy. However, he added a word of caution; namely, that this anticipated budget surplus

depended upon the action of the Congress in providing $831 million in postal rate increases. I mention this because this morning the Committee on Post Office and Civil Service, a committee dominated by the majority party, gutted the administration's postal rate increase, adding to the deficit of 1961, 1962, 1963, and 1964, and possibly many other years. I point this out because here again in 1961 as we debate this housing bill, all we are asking you to do in the substitute bill, as responsible Members of the House of Representatives, is to take an annual look at the program. We have given you a good, substantial bill. It is deserving of support. It is completely nonpolitical. It is a bill that every Member of the House could actually be proud of having voted for.

I would hope, Mr. Chairman, that we would let politics go by the board and think of the taxpayers, the homeowners, the home building industry. Support this substitute and then you have got yearly congressional control and review of housing. You will have a progressive bill, and you will have actually done a good day's work here in the Congress.

Mr. BARRETT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in support of H.R. 6028, the Housing Act of 1961. This is probably the best housing bill reported to the floor since the basic Housing Act of 1949. I take deep personal pride in having played a role in the long legislative process which brings this bill to the floor today. Since we were blocked by the administration last year in our attempts to bring out a general housing bill, the bill before us really represents the product of at least 2 years of hard work in committee, investigations, and hearings. Mr. Chairman, I think both our Banking and Currency Committee and the Housing Subcommittee, of which I am proud to be a member, and the administration have every right to be proud of this great bill.

First, in general terms, this excellent bill should help stimulate our economic recovery to help us reach our objective of full employment. It will help us step up our fight on slums, provide housing for families of modest and low incomes, and generally improve the housing standards of the American people.

There are a number of provisions, particularly the liberalization of the FHA homeownership program, which should step up the rate of economic activity and cut down the ranks of the unemployed created by the last two serious recessions.

It is especially pleasing to me that the bill will give us the necessary funds as well as new weapons to help us in the unending fight on the terrible slum problem which affects Philadelphia as well as all other American cities.

Unfortunately, during the past administrations, our efforts to authorize an adequate supply of Federal funds for slum clearance grants were rarely successful. In the past we have usually only been able to obtain enough funds to keep going on a 1- or 2-year basis. It is most gratifying to us, Mr. Chairman, that the bill which we have reported authorized $2 billion in Federal funds for slum clearance grants. Under this program the Federal Government pays two-thirds of the net cost of clearing slums with the city contributing the remaining one-third. For the first time we have given the slum clearance program the push it needs and I think we can confidently look forward to a more effective program in our cities to clean up slums and to rehabilitate our supply of existing housing.

Also, Mr. Chairman, I am extremely pleased that for the first time we have before us legislation which will provide the housing needed by our families of modest income. The bill does this in a number of important ways.

First, for our very lowest income families who are just unable to afford decent private housing, the bill would breathe new life into the low-rent public housing program. By restoring the unused units originally authorized in the Taft-Ellender-Wagner Act of 1949, the bill would permit the construction of approximately 100,000 units of low-rent public housing. Personally, I would like to see an even larger authorization because this is the only kind of housing that helps the lowest income families in our cities. We need at least this total to supply the housing needed by families displaced by urban renewal and highway building operations. But at least this is a strong step forward and is a far cry from the completely inadequate programs recommended by the preceding administration.

In addition to the increased authorization for low-rent public housing, the bill provides an entirely new program of rental housing for families of modest means whose incomes are a notch above the eligibility levels for public housing and yet too low to afford decent rental housing in the private market. This would be achieved by a new FHA rental housing program which would be supported by Government funds through the Federal National Mortgage Association's special assistance program.

Without going into the mechanics of how it would work, the end result would make available to nonprofit corporations and cooperatives the funds to build housing at rentals which people in these income brackets can afford. Under the program, loans would be made available at 3¼- to 3½-percent interest and for a term of 50 years. Because of the low interest rate and the long term, the sponsoring corporation or cooperative would be able to reduce rentals by as much as $20 a unit per month. Mr. Chairman, this would really help us get at the heart of the housing problem in our cities. We have needed a program of this kind for many years and I am extremely proud that our long years of effort have finally paid dividends.

Another means of providing good quality housing to families of modest income is offered by the bill's provision which would permit families to buy FHA sales housing on extremely liberal terms. Under the bill any family—not just a family displaced by urban renewal—could obtain a 40-year FHA insured loan to buy houses up to $15,000. Recognizing that many hard working families who have the ability to repay a mortgage loan nonetheless have modest cash resources, the bill would enable them to obtain these houses with a 40-year loan with only a $200 cash downpayment required. The 40-year term would permit lower monthly financing charges and taken together with the ability to buy with a cash payment not exceeding $200, this new program should help thousands and thousands of American families of modest means for the first time to enjoy the benefits of homeownership.

Mr. Chairman, I am also pleased that another provision of the bill would provide additional funds for the program of housing for elderly families which we succeeded in authorizing for the first time in the Housing Act of 1959. This program enables nonprofit corporations to build housing at rent levels which most of our senior citizens can afford. It permits 50-year loans at a 3½-percent interest rate, so that these corporations instead of charging $70 or $80 a month rent to senior citizens can charge $50 or $60 a month. We originally authorized $50 million to get this program started and I am happy that the bill before us would increase the loan funds available to this most deserving program by an additional $10 million.

Mr. Chairman, there is also an entirely new program designed to help families repair and rehabilitate existing housing which offers tremendous potential in helping to preserve and improve our huge stock of existing dwellings. Presently we have only available the FHA title I home improvement loan program. This program, of course, is quite helpful to families who want to modernize their kitchen or paint their house. But because these loans are of short term—normally 3 years—and carry a high interest rate—about 9½ percent—they are just not workable for more extensive repair and rehabilitation loans.

There has long been a gap in the field of rehabilitation financing and families have just been unable to obtain a long-term, low-interest loan to rehabilitate their homes with extensive repairs. Our subcommittee discovered the lack of financing for loans of this kind in past years and I am pleased that as a result of our recommendations the bill contains an entirely new program designed to get at the roots of the problem. It would permit rehabilitation loans for as much as $10,000 per dwelling unit for a term as long as 20 years. Special assistance support from the FNMA would be made available in urban renewal areas to make sure that the financing means are available. For the first time, Mr. Chairman, we will have an effective rehabilitation and home repair financing method which will allow families to improve their homes at a cost within the means of their family budgets.

Another provision in the bill deserving special comment would help small businesses uprooted by urban renewal operations to reestablish themselves. Displaced small business firms would be eligible for liberal loans—20-year term with a 3 percent interest rate—to reestablish their businesses through the Small Business Administration as is now

provided for firms uprooted by floods, storms, or other natural disasters.

Another extremely important new program would for the first time authorize Federal grants to local governments to help them buy land for parks and recreational areas. These grants could cover up to 30 percent of the cost and the bill would authorize $100 million for this purpose. Mr. Chairman, one of the most distressing problems in our cities is how to provide our children with the parks and playgrounds in which to play and develop. Too often our children are forced to play in the streets or alleys and this new provision would provide the means to assure that our communities will have the parks and recreational areas so essential to healthy community life.

Mr. Chairman, I have touched upon some of the outstanding features of this great bill. All of its titles meet extremely worthwhile objectives. It is a bill that will give the American people an opportunity to have the decent housing they need and it contains the tools to help our cities rebuild their slums. It is a bill truly in keeping with the national housing policy set forth in the Housing Act of 1949 which sets as our goal the realization as soon as feasible of a decent, safe, and sanitary home for every American family.

Mr. Chairman, I strongly urge the passage of this outstanding housing bill which I am sure will stand as a landmark in the history of housing legislation.

Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, I oppose the substitute amendment because it would jeopardize one of the finest provisions of H.R. 6028—the language in title I—FHA section 221—which authorizes FHA mortgage insurance for the purchase of existing housing in modest neighborhoods by moderate income families.

Under title I, if the Rains amendment is adopted, such mortgages would carry a downpayment of 3 percent—including closing costs—of the purchase price. The limitations on the amount which can be insured would be $11,000 for a single family residence, with the amount increased to $15,000 in high cost areas.

Title VI of the bill increases the special assistance authority of FNMA by a substantial amount. I have been assured by Mr. Hugh Mields, Jr., Assistant Administrator for Congressional Liaison, Housing and Home Finance Agency, that it is the administration's intention to use a portion of these special assistance funds in furtherance of that part of the section 221 program that is concerned with the purchase of existing homes. The committee report is to the same effect.

Why is the existing home mortgage insurance provision necessary? Under the FHA law as it has existed for many years, mortgage insurance cannot be obtained unless the home is in an area of "economic soundness." This has meant that most "gray areas"—decent residential neighborhoods which have begun to deteriorate but which may still be saved—have been found unacceptable to FHA underwriters. As was said in "The Exploding Metropolis," by the editors of "Fortune":

> The Federal Government has to show much more understanding of the city's unique housing problems. * * * It needs to overhaul discriminatory rules by which its housing program has been encouraging private investment in suburbia and discouraging it in the city.

The existing housing mortgage insurance provision will greatly stimulate home ownership in older neighborhoods. It will be a great day when any American with the ability to meet mortgage payments can acquire a $10,000 home, with plenty of room for his children, for a $300 downpayment, including closing costs. By increasing the number of homeowners, we will increase the number of citizens with a tangible stake in the welfare of their community.

The provision will prevent the deterioration of decent neighborhoods into slums. Homeownership encourages the owner to keep up his home and his neighborhood. The high downpayments—often as much as $5,000 on a $10,000 home—which are now so often exacted in older neighborhoods cut down on homeownership. If the money for a downpayment can be found at all, it tends to absorb the homeowner's liquid assets for years to come and prevents his maintaining and improving his home.

The provision will widen the number of people able to purchase homes in older neighborhoods, and thus improve their market price and market value. In time, this will result in an improved tax base for our hard-pressed cities.

The provision will be particularly helpful to older people, who rattle around in houses far too big for them now that their families are grown, but who cannot sell because they cannot get a decent purchase price. The provision, by making it possible for families with children to get a home of needed size, will at the same time enable the older people to sell their homes without a sharp loss.

The provision will help minority groups, who tend to live within the central city, whether by wish or restrictive practices. Finding the money for a large downpayment is a principal handicap to homeownership by minority groups today.

The provision is substantially identical with an amendment which I proposed last year, and which was adopted in the Housing Act which passed the House, but died in the other body. The benefits of the proposal are well summarized in an editorial in the Dayton (Ohio) Daily News of January 22, 1960:

> CITY EXODUS—FLIGHT OR PUSH?
>
> Pointing with alarm at the national crisis being generated by urban sprawl has become fashionable. Rare, however, are those who offer a solution.
>
> Representative HENRY S. REUSS, Democrat, of Wisconsin, strikes a refreshingly positive note when he urges a Federal mortgage program for buying or building homes in older urban centers.
>
> Much of what has been described as a flight to the suburbs is not so much a flight as a push. Residents have been pushed out by Government credit partiality toward new suburban homes, and Representative REUSS' bill is aimed at this inequity.
>
> As the prospective home buyer shops around, he discovers that he cannot get an FHA loan or a reasonable downpayment agreement for the house he would like to have fairly close to town, even though it is substantial and not very old.
>
> Out along the overextended highways and utility lines, however, the Government-insured interest rates and low downpayments make homes in new subdivisions financially attractive. City population is lured away from the central city.
>
> Because new homes (except those in older sections) are so markedly favored over old homes, the metropolitan population is scattered in uneconomic land patterns. Good recreation and farmland is gobbled up unnecessarily. Central facilities and services are used less intensively.
>
> Builders, meanwhile, have no incentive to erect homes in vacant city sites. Owners of city dwellings also face a dilemma. If they must move, they seldom can find a family that can afford the terms. They turn instead to investors who can afford high initial cost and who then crowd in as many tenants as the space and law permit.
>
> The Reuss bill would eliminate a special class of privileged homeowners and builders. It also would remove one of the basic economic causes of urban sprawl and housing blight.

Mr. Chairman, I hope that the substitute amendment will be voted down, so that the bill's "existing homes" mortgage insurance provisions may take effect.

Mr. ALGER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take the floor only because I am forced to do so after listening to some of the comments. I have been hearing and reading the language of the committee bill.

For whatever it is worth to my colleagues, as a former realtor, builder, and land developer, I cannot agree that this language will accomplish the goals set out by the committee.

I wish there were time for me to develop at some length the fallacies of the urban renewal, public housing, community facilities back-door spending, but the other programs are doing that better than I think I could, anyway.

However, as to this 40-year loan, for any man to take the floor of this House and tell this Nation that is a good business proposition for whomever it may benefit, he is making a grave error. After paying for 20 years, these folks we would like to help would owe more on the house than the house would be worth on the market. This is just saddling on the back of the homeowner a tremendous load that is being paid in interest. It is directly contradictory to what the more radical Members of the House think they should do to help the little man or those in the middle brackets who would like to benefit by this bill.

I specifically want to devote my remarks to the open-space program. Look at some of the language here, and think of the severe problems that are being created to curb urban sprawl. Texas delights in urban sprawl, and we are going to keep on sprawling. How any Texan could be for a bill to prevent urban sprawl I cannot understand. To any-

body who believes in the modern ranch-style type of living, where you can get a little room to play and let the kids enjoy themselves, this does not make sense.

Talk about long-range planning, they make grants on criteria the Administrator may establish, and who knows what they will be. Then they say that the local bodies must preserve a maximum of open space. The Dallas authorities know better how to do this than any agency we may set up here to tell Dallas what to do about land development.

If you believe in free enterprise, you believe in men going out and building communities that include churches, schools, and shopping centers. I have developed a small area of 80 acres that was planted to cotton and wheat, but no longer profitable for farming because the land was at the edge of Dallas. I saw that turned into an area of beautiful homes, where children played, where there were schools, churches, shopping centers, and so forth. You now turn over to the Federal Government the control of land that, in order to be well developed, must be developed by people who believe in free enterprise.

Some have said this is a builders' bill. I say it is a bill to destroy the builders. I just cannot believe it is your intention to absolutely destroy the segment of our economy that is represented by the building industry.

As to "conversions to other uses," I refer you to page 144 of the bill, where it is stated:

> No open-space land for which a grant has been made under this part shall, without the approval of the Administrator, be converted to uses other than those originally approved by him.

Who is this kingmaker? Who is this man that is allwise, that will let the land be turned back to be developed at the local level?

I think this bill is a shame, and no credit to this body. I say that with all due credit to those members of the committee who think they are helping people. I think you are hurting people and destroying the possibility of aid to these people you say you would like to help.

Further, I want to join with those colleagues who wrote the minority report and those Members who have shown the fiscal irresponsibility of this housing bill.

As a former builder, I am aware more than most that this will not help the building industry. These are the tools of destruction of private enterprise. This bill will not help people secure better homes, rather it will make them dependent upon Government and assure slum-living conditions and, in time, respectable and respectful homeownership, the backbone of American family life, will be destroyed.

I just do not believe that Members of this body can conceive that this bill will help our citizens. Basically the tremendous increase of Federal spending means necessarily an increase in taxes and/or inflation of currency through deficit financing, which, in turn, will further handicap and hamper private enterprise in all fields of construction which, in turn, will mean more business failures, more unemployment, less production; indeed, less tax revenue for the Government.

Unfortunately, the expedient, temporary help given the building industry and the lending institutions through this bill will not help permanently, but will harm permanently, both our citizens and the building industry itself.

The increase of urban renewal by over $2 billion increases the danger of the taking over of property under the power of eminent domain "for spiritual and esthetic reasons" as decreed by the Supreme Court decision.

This is a frontal attack on the right to own private property wherein further subsidies will destroy human character and dignity, and create slums of the future.

The aid for community facilities is redundant to the same aid in other programs and transgresses against the prerogatives of local governments.

Back-door spending of $8.8 billion further transfers government control into the hands of the executive and prevents Congress from exercising constitutional prerogatives as the watchdogs of the purse strings.

I can only assume that those colleagues and those in the administration who insist on the passage of this bill are misinformed and misunderstand the building industry and, indeed, the entire nature of free and private enterprise.

It is my earnest hope that this bill will be defeated and replaced by a more sensible version, greatly reduced in size, and without the new experimental departures, which in this bill have not even been subject to public hearings. This is a bad bill and should be defeated.

Mr. HALLECK. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in support of the McDonough substitute, and hope it is adopted.

Some suggestion was made earlier that possibly the membership could not understand what is in it. I think it has been very well explained, and I think there is pretty general understanding of what it is. It is a good bill. It is a balanced bill. It will meet the upcoming necessities, as many of us see it, with respect to housing.

I can support this bill if the substitute is adopted. I cannot support the committee bill as reported because, in my opinion, it is reckless, unnecessary, extravagant, and irresponsible in many of its features.

As I say, there has been talk about confusion here. Well, I think most of the confusion is about what the committee bill contains. As a matter of fact, the gentleman from Alabama on yesterday in the debate voiced his apprehension that probably many Members did not know what was in the bill. I thought that was something in the nature of an apology. I want to say I share his apprehension except that I understand very well there are a number of very bad features in the bill, and that it is a tremendously expensive bill. Nobody knows how much it is going to cost the taxpayers, and I still happen to believe that is a fairly important consideration that we ought to have before us in our minds in whatever we do here. I have heard estimates of the cost running from $5 billion to $11 billion, which is quite a spread. Others have called attention to what I refer to as ridiculous features of the bill. Then strangely enough on yesterday, and reiterated here today by the chairman of the subcommittee who has spoken to us about what a magnificent job the committee did, lo and behold, before we really get to bat, he backs off on one of the most ridiculous provisions and one of the most indefensible provisions of the bill.

You know, as a matter of fundamentals, I am concerned about this committee bill because I am wondering what it is doing to one of the great things about America, and that is the incentive to homeownership. I have supported housing bills here that have seemed to me to be reasonable, through the years. I remember years ago when we had the first one, to meet what was then a real emergency in the nature of mortgage loans on homes. I supported that. But, today we are considering a multi-billion-dollar bill, which, in my opinion, goes way beyond anything anybody ever dreamed would be considered here in the Congress. The foot in the door of Federal intervention is moving inevitably, in my opinion, in the shape of too much Federal domination of great segments of our economy. I think it is high time we asked ourselves just where we are going to stop. Are we striving for the day when everyone will live in a house that is owned by the Government? I hope not. Is there no limit to the ends to which we will go to spend the taxpayers' money for him? I received a letter, and I checked on it to be sure it was authentic, from a young lady, a librarian. She said, "You know on my take-home pay of $38 a week, I have come to the point where I cannot afford to have the Federal Government doing anything more for me."

We ought to think that statement over. But, here in this Congress we are talking about spending more and more of the taxpayers' money. In the next few days, a bill will be before us providing for a $13 billion increase in the national debt limit. May I say parenthetically I shall support that increase, as I have supported increases heretofore, but in supporting it I must again raise my voice against the reckless, extravagant and irresponsible spending that makes it necessary for us year after year after year to increase the debt limit. Nobody knows how much money we are going to spend. We have a multibillion-dollar school bill coming on. Nobody knows what the omnibus farm bill will cost, if it ever gets out here and if it is ever passed, which I rather hope will not happen. We have a national defense budget spending bill coming along that is going to curl our hair when we find out what that amounts to. Why, you know, Mr. Khrushchev has predicted on more than one occasion that he would not have to take military action against us.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

There was no objection.

Mr. HALLECK. He said that our grandchildren would be living under socialism without any action on his part. Of course, Mr. Khrushchev interchanges somewhat in general terms, but I have never shortchanged him on his powers of observation. So here we are appropriating and spending billions and billions of dollars to protect ourselves against the threat of military attack by militant communism.

We are spending more billions of dollars, and we have to do it, to try and prevent the spread of communism around the world. But I say to you the time has come when we had better take a good, hard, long look at what we are doing here at home. By the sheer power of taxation you can socialize a man. If you take so much in taxes that he does not have enough left to provide the medical care, education, clothing, shelter, and food for his family, he must turn to the state, and I do not know any one of us and I include all of my Democratic friends, who want to see that come to pass, who want that to happen.

There is no emergency, in my opinion, that justifies a housing bill of the magnitude that is here presented by the committee. Even the administration economists say now that the country is coming along as far as our economic situation is concerned, coming along very well. I sometimes think that the greatest threat to the continuing prosperity and progress of our country are some of the things that are proposed by some people who believe there is too slow an upturn in our economy. It certainly could be a threat to our economic well-being if we undertake to go too far and too fast. I think this committee bill undertakes to go too far and too fast. It goes beyond anything that is really needed. The substitute, in my opinion, is sound. Let us provide for the next year, then take a look at what we need to do after that time. I think in that way we will best serve the interests of our great country.

The CHAIRMAN. For what purpose does the gentleman from Alabama rise?

Mr. RAINS. To see if we can reach an agreement as to the time for debate on the substitute. I have but one more speaker.

Mr. McDONOUGH. I must object to any limitation at this time for the reason that there are many Members on this side who want to be heard on it.

Mr. RAINS. I am not trying to move it, I am just trying to see if we cannot agree on some reasonable time. Would the gentleman agree to 20 minutes or 30 minutes?

Mr. McDONOUGH. One hour. That is the least limitation I can agree to because of the number of Members who want to be heard over here.

Mr. RAINS. I am sure we do not want to debate it for a full hour. I will drop it for the present but will submit a request a little later.

(By unanimous consent the pro forma amendments were withdrawn.)

Mr. HARVEY of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise also in support of the substitute bill. If there was one thing that all of us in the minority on this committee agreed upon for certain it was that the overriding issue in this housing bill is the issue of fiscal responsibility and our duty as Congressmen to act accordingly.

The gentleman from Indiana [Mr. HALLECK], has told you of some of the heavy spending that all of us should be cognizant of at this time, not only in the field of defense, the field of foreign aid, but also in the field of domestic programs which we have had before us within recent weeks.

I wish to speak on one aspect of the administration bill and how the substitute bill will correct it. I refer to title V, the section pertaining to community facilities.

Just recently I had a mayor of one of the small Michigan cities seek me out because I happened to have been a mayor myself at one time, and mentioned to me that his community was interested in building a water treatment plant. He wondered what help, if any, the Federal Government could give him. I said, "Mr. Mayor, it so happens that in the few weeks I have been in Congress I have worked on three bills, all proceeding under the myth that these municipalities must have help to build public facilities."

The first bill was a depressed areas bill. I told him he could see Mr. Hodges, Secretary of Commerce; that he has $100 million for loans and $75 million more for grants to build public facilities in these depressed areas. I told him, if he does not give you a good deal, you can go and see the Secretary of Health, Education, and Welfare, Mr. Ribicoff, because just recently we voted $1 billion for water treatment plants where we give grants of 30 percent or $800,000.

Finally, I told him, if that does not help you, we are working right now on a housing bill in which President Kennedy asked that we increase it $50 million, yet the committee has seen fit to multiply that by ten times, to $500 million, to help municipalities that are now selling bonds, tax exempt if you please, and at lower interest rates than ever before.

I do not think this myth can go on much longer. That is exactly what the administration bill would do. This country is going down the road to insolvency as long as we proceed to subsidize municipalities by lending them money at less than we can borrow it ourselves, and as long as we proceed to not let the right hand know what the left hand is doing. That is more than any mayor of any small town or city can understand today.

Mr. YOUNGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize that this bill is technical. The gentleman from Alabama [Mr. RAINS], has said that the committee labored long and arduously on the bill. Yet I want to point out one of the difficulties which misleads the public.

On page 13 of the committee report, in speaking of improvement loans, there is this sentence:

> Thus, a homeowner would not be permitted to undertake a home improvement debt burden that would be excessive.

That is not consistent with the bill in any sense of the word. Here is what the bill says in regard to the limit on that type of loan, page 62 of the bill:

> 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.

There is not a qualified real estate appraiser that I know of in the United States who would say that in an improvement loan you could add the value of the property prior to the improvement and the cost of the improvement and the sum would be the value of the property after the improvement is made. I have seen improvements where the value of the property has increased twice the cost of the improvement.

I have seen other cases where the value of the property has not increased one iota, and yet a great deal of money was spent on it. So, it is possible under this section to give to a lender an insured loan, guaranteed by the Government, that is in excess of the value of the property.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

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

Mr. McDONOUGH. And also in the event of default of this type of improvement loan, the FHA is authorized to provide cash for the balance.

Mr. YOUNGER. That is right.

Mr. McDONOUGH. Not a debenture but cash.

Mr. YOUNGER. That is correct.

Mr. McDONOUGH. And the builder and the buyer cannot lose anything.

Mr. YOUNGER. That is right. There is no protection in the original bill whatsoever for the homeowner in connection with a rehabilitated loan, but there is in the substitute bill, and that is why I will support the substitute bill or one of the reasons why I will support the substitute bill as against the committee bill.

Now yesterday the gentleman from Alabama [Mr. RAINS], pointed out in his talk—and I quote from the RECORD on page 10910—that:

> This is the first time in 10 years, since 1949, that we have been able to review our housing laws and the housing needs of the Nation without the impending threat of a veto hanging over us.

Now that is a terrible condemnation of Presidents Truman and Eisenhower and it seems to assure us, that the President now in the White House has no intention of vetoing the bill. In other words, we here in the House are tampering with precommitting the Executive power. I also believe that the Executive has no right to tamper with our power. That is why I am against these 4-year extensions, because if we continue as we did the other day in these

various reorganization plans—and, thank goodness, the other body is beginning to save us as was shown by their action yesterday—and we add 4-year authorization here and we add 4 or 5 years onto the mutual aid bill and to the various other bills, then we ought to make the congressional term 4 years so that we would need only to come back every 4 years; there would be no use having an election in between times, because what we are really doing is giving to these executive agencies all of the money they need to operate for a long period of time.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Maybe on the basis of the gentleman's reasoning, we ought to run every year, because you are proposing that we just extend this for 1 year.

Mr. YOUNGER. The gentleman well knows that the Members of Congress now run from the day of one election to the day of the next election, and I am sure that the gentleman from Oklahoma would agree to that.

Mr. THOMAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I talk briefly to my colleagues about the cost of this bill, and I use the word "cost" in those instances where the taxpayer reaches down in his pocket and picks up the tab. So we have to differentiate between cost to the taxpayer and a spending program. And, there is a lot of difference.

As far as the substitute and the regular bill goes, the two big items in the bill, which, incidentally, cover at least three-quarters of it, that is, of all the cost that the taxpayer is going to have to pay, are public housing and urban renewal. You leave out in your substitute FNMA. FNMA does not cost the taxpayers one red penny. It is a money-maker for the taxpayers, besides its other useful functions. So, I think it is an error to leave FNMA out of your substitute.

Now in regard to public housing, all the old timers know that that talk has gone on for years. I am not going to repeat it.

This bald spot on my head was partly caused as the result of butting it up against the walls of this ancient and honorable Chamber when the majority voted us down time and time again.

You have 500,000 public housing units today occupied and you are paying a subsidy on them. You have another 100,000, in round figures, building. You have about 825,000 authorized and in another 15 years, and mark my word, if you and I are here, you will see 1 million to 1.5 million occupied and your subsidy bill will not be $350 million a year, but it will be nearer $500 million a year—each unit to cover a period of 40 years.

The only thing in the original bill which would have the slightest tendency to take the load off public housing about which my able, distinguished and lovable friend is concerned, is something I have been talking about for years, and this is your long-range, no-downpayment, cheap money proposition. The new program may not be the complete answer to public housing, but it will cut the need for more units in the future. Take your pencil and balance it out anyway you want to. Anyway you figure it you will save the taxpayers' money on the new program, as compared to public housing. Every unit under this new program that you build will cost the taxpayers less than one unit in your public housing program. They are both 40-year programs.

Outside of the dollar value, is there anything else to be said for this new program? Yes. You are making kings through the adoption of this program. You are making homeowners out of the purchaser. The only difference—and you can use words and words and pages to express it—between a Communist and a non-Communist is the fact that the Communist does not own anything, much less a home. The purchaser of a home is a king. He is the owner of a castle. You are overlooking two things. One is the dollar savings to the taxpayer, and the other is the fact that you are making a king out of the purchaser rather than a vassal of the city hall, which controls public housing. When he walks into the city hall, he will say "You vote as I would like to have you vote." As it is now, in many, many instances, and you know it is true, he walks in with his hat in his hands and says "May I move into one of your public housing units?"

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on the pending substitute and all amendments thereto close at 2:25 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SCRANTON].

Mr. SCRANTON. Mr. Chairman, I rise in support of this substitute amendment primarily for one reason. As most of you know, I believe in the benefits that some housing programs produce for the people of this Nation. As you well know, the bill before us from the committee covers a great many things, some of which are very important to the district I represent, as some others are to that of the gentlewoman from Michigan who yesterday spoke on the open-space provision, and the gentlewoman from New Jersey who spoke on housing for the elderly, and other Members of the House on other provisions.

Ever since we came to this Congress we have been presented over and over again with great problems affecting the whole free world, first Cuba, then Laos, now Berlin. There is no doubt in my mind, as I am sure there is none in yours, that over the next 4 years during which this bill will be in effect our national security will undergo "agonizing reappraisals." There will be need for tremendous outlays in order to meet this Communist threat not only here on earth but in outer space.

Therefore, I ask all of you who represent districts such as mine, where certain provisions of the bill are of importance, to bear in mind that we will be asked to do these things. We will all want to do them. It is important under this world threat to set aside meeting specific needs temporarily and follow what is obviously best for the overall need of our entire free world; namely a policy of conserving our fiscal resources. This substitute will help to do just that.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, any way you look at this substitute proposal which is before us today it fails completely to provide help of any substance in four major problems confronting the Nation. I talk particularly at this time to Members who represent districts with small towns, small communities, and with farms in their districts. The substitute before us today does absolutely nothing to help the Fannie Mae situation in the practically total absence of present capacity and authority by FNMA to buy FHA and GI loans. Unless you have a strong and well-funded Fannie Mae you are not going to have the Nation moving forward with loans for home building. They do nothing about increasing Fannie Mae authority and capacity. The committee bill adds $750 million in authority to Fannie Mae.

They do practically nothing about another problem, and that is community facilities. They add only $50 million in the McDonough substitute for community facilities. The committee bill adds $500 million in this vital category.

They do practically nothing except to give us some further time in the field of farm housing. The committee bill adds $200 million for farm housing loans across the country. They add nothing but time. They do not add a single dollar to this program.

Finally, Mr. Chairman, in the field of housing for the elderly, to help the old people of our country, they add only $50 million to meet this very serious problem. The committee bill doubles the figure that is provided in the so-called McDonough substitute and gives twice as much toward solving this urgent problem that faces our elderly people.

So, Mr. Chairman, on these four grounds, on the basis of what is provided in additional FNMA authority, for housing for the elderly, for community facilities, and for farm housing, I urge the House to reject the substitute amendment and support the committee bill.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROUSSELOT].

Mr. ROUSSELOT. Mr. Chairman, I rise to support this substitute amendment by my collegue Mr. MCDONOUGH It is a proper amendment. The statements by the gentleman from Oklahoma, though I respect him, are totally incorrect. I have served in the Federal Housing Administration and I can tell you, you are totally wrong in what you have just said. Let me point out very specifically, there is almost a billion dollars of authority today in Fannie May.

We should recognize right now that we have more than adequate amounts in housing agencies today, even if we take no further legislative action.

Let us get right to the heart of the matter. This substitute bill is a far better alternative than the Rains bill. It continues programs we now have in effect. It goes as far in those cases as the President asked. As a matter of fact, on the farm housing loan program, the President, your leader, asked for $207 million. That is what is in this bill. Now let us get down to some other facts.

The Federal Housing Administration authority is extended, college housing is continued, present urban renewal authority is extended, and there is not one person in this Chamber who could not vote for this McDonough substitute and know that he is continuing the present programs. What is the main complaint against this vast committee spending bill we have before us in the form of this other bill? I sat in on these committee hearings. Many people came before that committee and said, "We do not need all of this vast spending." And where does that money come from? It comes from the taxpayers. I say the time is coming when we had better start looking out for the taxpayers in our districts instead of always taxing and taxing, spending and spending at this Federal level when local people and individuals are perfectly capable of taking care of themselves and taking care of their own housing programs on a local level. That is one reason the mayor of whom you were speaking a moment ago was defeated—because he was spending too much money and the Democratic party backed him—and that is why they backed him—because he was spending too much money.

I urge the support of the McDonough substitute.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Chairman, the substitute bill very briefly extends only the needed provisions in the present law. We have gone over it very carefully and it extends all of the needed provisions. I am well aware that wonderful eloquence has been used to hypnotize the House, saying that this is not going to cost us anything and that we even make money on it. Well, the problem we face, of course, is one of finances. If we draw $8 thousand million over the years from the backdoor of the Treasury, we do have a financial problem. That money has to be raised. Whether it is raised by taxes directly or indirectly, is immaterial; it has to be raised and that presents a real problem to the Treasury. Raising taxes or borrowing more money is necessary; the latter of course raises the cost of living most cruel to the lower income groups.

There are several parts of this committee bill to which I object most emphatically.

It is a stimulus to tremendous housing, added home building, unneeded in many places. There are Congressional districts in the United States where we have many thousands of unoccupied new homes, yes, homes that never have been occupied. It will also break down the trade-in value of existing homes. Most people who buy a home have to sell a home to do it. Once you bring down that value by putting in a tremendous number of new houses, you hurt the present homeowners of the United States.

There is another matter to consider: the matter of local public bodies being permitted to draw on the Treasury at 3⅛ percent—2⅛ percent below what has been paid to finance moderate rental housing; in effect, subsidies, almost like public housing, to a large group of people.

This committee bill, Mr. Chairman, is a monstrosity. It is the wildest and worst housing bill I have ever known in all my years on the Banking and Currency Committee, and since.

It is completely irresponsible fiscally; it would, if fully implemented, be disastrous.

I am opposed to the committee bill most emphatically and recommend the substitute.

(By unanimous consent Mr. PELLY yielded his time to Mr. JONAS.)

Mr. JONAS. Mr. Chairman, I tried to obtain recognition immediately following the speech of the distinguished gentleman from Texas [Mr. THOMAS]. He and I have served together for many years on the Independent Offices Subcommittee of the Committee on Appropriations and I have profound respect for his opinions. I was interested in what he had to say a little while ago about making a king out of a man when he becomes a homeowner. I completely agree with him about that because I do not know of anything more calculated to make good citizens out of people than for them to become homeowners. When a man owns his home he becomes a convert to capitalism if he did not believe in it before. He then feels that he has a stake in our country, that he is participating in its growth and development, and above all that he is taking advantage of the priceless opportunities provided by our system to improve his station in life by hard work, by being industrious, and by practicing thrift.

I have always been a strong supporter of the FHA program. Its record has been good. It has helped many a prospective homeowner to acquire a home who otherwise might not have been able to do so, and it is a fine example of how a government can help an individual help himself. But I would sound a word of caution here. Let us not go too far in liberalizing our housing programs so as to leave the impression on people who wish to use them that nothing is required of them but that it is the responsibility of the Federal Government to carry the laboring oar. Let us be careful to keep incentive alive so that those who use these programs may continue to feel that they own the houses and that the Government is not providing them. If initiative and incentive are ever destroyed in this country, the result will be tragic indeed.

I appreciate the yielding of his time to me by the gentleman from Washington [Mr. PELLY], but even with his 2 minutes added to mine I will have sufficient time only to mention a point and not elaborate it. I think I shall just try to do that by telling a true story. It is based on a letter I received late in October of 1960 right in the midst of the campaign. It came to me from a lady I had never met and who does not even live in my district. She does live in an adjoining county, however, and she wrote me the letter following the first of two television debates I had with my opponent. Something had been said in the first debate that attracted her interest and she wrote me this letter which I hold in my hand and display to the committee today, in order to illustrate what she and her husband had been able to accomplish for themselves under the incentive system which has been so much a part of the American way of life.

I will not read the entire letter because in it she compares the wages her husband received while working at the same job, in the same cotton mill, for the same number of hours, under the administration then in power and the two preceding ones. I might add that the comparison was greatly in favor of the administration in power in 1960. But if I should read that part of the letter I might be accused of talking politics and I do not wish to bring politics into the discussion of the issue before the committee today. The part I do read does have a bearing upon this issue and I ask you to listen to what this lady had to say out of her own personal experience:

> My husband works in the cotton mill here in High Shoals and has ever since 1927. In 1956 the company sold the houses here to the employees. The one we live in was one of the first built here. It is over 50 years old, it has four rooms and bath, it cost us $3,375. We live beside the old Baptist church at No. 26 Lincoln Street. They built a new Baptist church up near Kiser's Store. Well, we paid up the debt on our old house back in July. We spent over $1,000 in repairs to it. * * * But, of course, we have done without lots of things in order to pay for it. It isn't a fine house but it is home and it is better than it was when we bought it. I am not bragging about it but I am happy in the thought that we did.

This lady went on to praise the administration then in power and to give the policies it advocated and followed some of the credit for making it possible for her family to acquire and pay for this home. But that is not the reason I tell the story. I think it has far more significance than that. I think it demonstrates what can be accomplished under our free enterprise system which is based upon incentive and which rewards hard work and industry. In our zeal to help people, I hope we do not make the mistake of destroying initiative and the incentive to get ahead by encouraging the development of a feeling that industry, hard work, and thrift are not necessary because Uncle Sam will take care of the problems.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I am going to vote for this substitute to continue for 1 year the existing housing program with certain improvements; but primarily for other reasons than I have heard discussed thus far.

The President of the United States was recently asked if we were going to get into a war and his answer as reported in the press was to the effect that we are already in a war.

The Chairman of the Joint Chiefs of Staff on June 8 stated to our committee his "belief—as also expressed before other committees of the Congress—that the decade of the sixties could be decisive to the survival of this Nation and its allies."

Last month the President of the United States called the House and the Senate into a special session to which he came personally in order to underline the seriousness of the Communist threat to our very existence and to tell us we must increase appropriations for certain essential weapons and projects, including civil defense, if we are going to avert disaster.

Now, Mr. Chairman, either our country is at war or it is not at war. If it is at war, then I think we have no business embarking on any additional long-term spending programs such as this or others like it.

If Russia were so foolish as to attack us in another Pearl Harbor, we would not consider for a moment either this bill or any like it. We would concentrate every resource and energy on winning the war.

Our leaders tell us that is the kind of dangerous situation we face—but we apparently have not recognized it. We have no right to be expanding domestic programs, no matter how good or desirable or beneficial, that are not absolutely necessary to the survival of our country during this war.

If we are not at war, and do not face a life and death threat this very year, then the President should not be asking us to expand our spending for missiles and other weapons and our foreign aid program way beyond what it has ever been.

If we do not spend more and more for arms, we are told we invite insecurity—and disaster. If we do spend more and more for arms, and also for everything else that we would like to have right now, we make sure a renewal of inflation—and disaster. Either way, disaster.

This is why Mr. Khrushchev is so confident that he will win. No wonder he dances his jig. He is convinced we are already too soft to be willing to discipline ourselves to put first things first.

It is not a choice between good and bad programs. It is between what is first and what is second. Survival in a deadly war is first.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, while listening to two of my good eloquent friends, the gentleman from Alabama [Mr. RAINS], and the gentleman from Texas [Mr. THOMAS], I became very much confused.

On the one hand, my good friend from Texas, under whose able chairmanship I have the honor of serving, has said that the section to make 40-year loans will make every man a king and that we will then be able to do away with public housing.

On the other hand, my friend, the gentleman from Alabama [Mr. RAINS] says that this provision of the bill will probably have to come out because nobody will make loans for 40 years, anyway.

I am a little astounded as to the lack of cohesion which seems to be inherent in these two statements. I am most amazed as to why the great Committee on Banking and Currency could have done a vain thing which the chairman of the subcommittee now labels the 40-year loan provision.

If, as the chairman has said, people will not lend money for 40 years, there is no reason for this provision to be in the bill.

So I can only ask this question: Why is this provision in the bill in the first place? I am sorry I do not have the answer to it. If anybody has, I will be happy to yield to him at this time. Why is this provision in the bill when the chairman of the subcommittee says people will not loan money for 40 years?

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

Mr. RHODES of Arizona. I yield to the gentleman from Indiana.

Mr. HALLECK. If people will not lend money for 40 years, has the gentleman any idea they will lend it for 35 years? I do not think so.

Mr. RHODES of Arizona. I wonder myself. It is a matter of degree just how far those who lend money will go.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. McDONOUGH. As a matter of fact, the 40-year no downpayment was part of the task force the President of the United States appointed shortly after he was elected. It was considered by them and turned down and termed ridiculous by one of the members of that committee I spoke to. He said it is a ridiculous proposition.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, I am presently engaged in reading a most fascinating book, Mr. Shirer's "Rise and Fall of the Third Reich." One of the things that has impressed me is the fact that for a long period during the lifetime of Adolph Hitler, he was considered as a joke, and not as a serious threat nor a serious trend.

The Chinese Communists at one time were called "agrarian reformers" and were not considered a serious threat or trend.

I suspect Lenin and Trotsky and "good old Joe" Stalin were not taken seriously.

Today some of us are being laughed at, and accused of seeing bogey men when we think we recognize a trend toward socialism. I, for one, am afraid of it, and that is why I am opposed to the committee bill.

I believe Nikita Khrushchev was serious when he said just 3½ months before coming to the United States:

> We cannot expect the Americans to jump from capitalism to communism, but we can assist their elected leaders in giving Americans small doses of socialism until they suddenly awake to find they have communism.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Chairman, I was not going to take any time, but after the fantastic statement of the gentleman from California I am compelled to speak.

I would like to say—and I am sure the American people believe this—that the best way to get communism in this country is to keep on allowing people to live in slums, in huts, and in poverty. I think I know that the record speaks that more Communists have come out of poverty than have ever come from any other place. And, I think I know that one of the best antidotes for communism is not speeches but a Government that believes that the people ought to have an opportunity to become capitalists, to own their own homes, to have the opportunity to acquire some interests that communism is directly, eternally, and forever opposed to. I do not object to arguments against the bill, but I resent, as I think any true American ought to, the insinuation that if you support a bill such as this, that as the result you are invoking all of these strange and foreign "isms" upon the American people.

The CHAIRMAN. The chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I am sorry the debate has gotten off the issue. I certainly do not think the last speech pertained to what was said before.

The point that I am concerned about and which I think is a basic point was pointed out in the minority report on page 65:

> The overriding issue in this housing bill, in our opinion, is the issue of fiscal responsibility.

And, I believe that is so. We are going to have a bill on the floor of the House, on Monday, I believe, to increase the Federal debt to $298 billion. We are going, gentlemen, into deficit financing in a period of prosperity, which is directly contrary to the theories of those who have advocated deficit financing.

One of the members of the Committee on Rules suggested that the minority views on the debt limitation bill were political.

I hope they were not political in the sense of narrow partisanship. I think we are trying to point out that we do face very, very serious fiscal problems in this country, and that if someone wants to make a political issue out of it I think that perhaps the two political parties should join that issue. This particular bill and the substitute bear right on that subject.

Mr. Chairman, I am for the substitute primarily because it is a little more fiscally responsible in these times. I think we must relate this to fiscal policy and the statements of the President of the United States with reference to its importance in these trying days. The gentleman from Minnesota [Mr. JUDD], pointed it out. These are not times to increase many of the things that might

be desirable in our society: $298 billion in debt and going into a period of prosperity with further deficit financing predicted. Now is the time, with this spending bill, to demonstrate fiscal responsibility. I plead with the gentlemen in the Democratic Party not to make a political issue out of this. Join with us in this fight for fiscal responsibility.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. TOLL].

Mr. TOLL. Mr. Chairman, I rise in opposition to the McDonough substitute. I support the committee bill and the magnificent presentations of the purposes and contents of the committee bill by the gentleman from Alabama [Mr. RAINS], and the gentleman from Texas [Mr. THOMAS].

I received a letter from the National Housing Conference, Inc., which was established in 1931 to promote slum clearance and to provide decent homes for all Americans, urging my support of the omnibus housing bill which was reported by the majority of the committee. The executive vice president of the National Housing Conference stated that he believed this legislation embodies a sound and intelligent program to meet the housing needs of this country during this period of rapid growth. He further stated that it is important to remember that the bill is based upon more than 27 years of experience. In most respects the measure carries on existing programs that have been highly successful.

I hope that the House will pass the committee bill because it would support the basic national objectives presented by President Kennedy in his housing message. First. To renew our cities and assure sound growth of our rapidly expanding metropolitan areas. Second. To provide decent housing for all of our people. Third. To encourage a prosperous and efficient construction industry as an essential component of general economic prosperity and growth.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Chairman, I am voting for the substitute for the committee's housing bill, H.R. 6028, because I am in favor of continuing the housing programs which we have now, and because I am in favor of maintaining the fiscal integrity of our Government.

Every program now being operated by the Housing and Home Finance Agency and its numerous components will continue, under a 1-year extension provided for in the substitute bill.

In this time of crisis, no longer extension is needed, and, therefore, no longer extension should be granted.

I believe that all of us need to pay particular heed to the words of President Kennedy when he addressed the joint session of the Congress on May 25, and said:

> 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 to programs, desirable as they may be, to the budget.

That is sound and sobering advice. I, for one, intend to take it, and I earnestly hope that this House takes it when the question is on the passage of this amendment and upon the passage of the bill as amended.

No one can say, if we pass this bill, that we are not meeting the instant and continuing need of the millions of people who will benefit by the passage of this legislation.

One of the features of the Housing Act now on the books, the FHA title I home repair and improvement insurance program, that has worked well, has been a part of our national life for 25 years. Homeowners can borrow for the repair and improvement of their homes, and repay the loan over a period of years without adding to their mortgage. We want this to continue. The substitute bill proposes to continue it.

The FHA mortgage insurance authorization would be extended for 1 year, and would continue just as it is now.

The FHA Capehart military housing program would be extended for 1 year. This is a program in which there is particular interest in my district, because of the great increase in personnel at the New London Submarine Base. I want that program to continue, and it will be continued under the substitute bill which I favor.

For direct loans for the construction by private industry of housing for the elderly, the substitute bill provides an additional $50 million, which is the amount requested by the administration. I am in favor of that.

For urban renewal grants, an increase of $500 million is provided in the substitute bill, and the program is extended for 1 year. I am in favor of that.

The loan authorization to build college housing, which has been in operation for 11 years, would be increased by $300 million in the substitute bill and I am in favor of that.

The administration requested an additional $50 million for the public facility loan program. I am for that, and the substitute bill provides that and continues the program for 1 year.

The farm housing loan program would be extended for a year in the substitute bill by reviving the loan authorization which otherwise would expire at the end of this month. The amount available would be approximately $207 million. The administration did not request any additional increase.

I am in favor of extending the voluntary home mortgage credit program for a year. The substitute does that.

The public housing program, like all the other programs, is continued, and during the coming year there will be nearly 20,000 dwelling units available for allocation by the Public Housing Administration to local housing authorities. This is more homes in public housing than have been placed under contract during the past 2 years.

Existing authorizations for borrowing from the Treasury to finance the various programs which involve loans, will be continued, but new authorizations of funds will require the approval of the Appropriations Committee before funds can be committed by contract or before funds can be withdrawn from the Treasury. We will know what we are spending, and for what. This precaution, it seems to me, is directly in line with President Kennedy's admonition to the Congress in his May 25 message.

To sum it all up, I believe that we should go forward with our housing programs. We should go forward, but we must go forward with this, as with all other plans that involve the home front, with full awareness of the priorities which are necessary in order to assure that we have the resources at hand which we need to invest in our determination for survival.

We can see our way clear to go ahead with all these programs for a year. Next year, we may hope, and in fact, may confidently expect that once again we can see our way clear. That is the prudent way. But for Congress to delegate its authority for 3, 4, or 5 years, to executive agencies, so that the operations are beyond the reach of the people of this country, through their elected Representatives in the Congress, is reckless and lacking in commonsense.

I urge this House to keep our Government in the housing business that it is in now, by adopting the substitute bill and extending the programs for a year.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, listening to the gentleman from Alabama, my colleague [Mr. RAINS], for whom I have the greatest respect, talking about the necessity for Government intervention in our times, I wonder what made this country the greatest nation in the world in the first 150 years without Government intervention. Without that intervention we became the greatest nation on earth. We had no Government intervention then. It has been only in the last few years, since the Government has taken a hand in all these things, that we have accumulated the greatest national debt in history.

Mr. Chairman, I should like to read from the minority views.

On May 25, in his special message to the joint session of the Congress, the President stated:

> 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 to programs, desirable as they may be, to the budget.

I support what he said. I shall vote for this substitute, and against these spending bills at all times until our Nation is secure in the future.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

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

Mr. McDONOUGH. In reference to the slums that we have assisted in alleviating in previous House bills spon-

sored by the Republican Party this certainly ought to be observed, that 20 of the past 30 years the Democratic Party has had control of the Congress and if there had to be removal of slums, it should have been their responsibility as much as ours; and not much was done in that direction.

Mr. BECKER. That is certainly true. I might also correct the statement of the gentleman from Alabama that communism emanates from the slums or from the poor people. Communism has been started by the intellectuals throughout the world. It has never come from the poor people. It will never come from the poor people. They do not want to be regimented. They want to be free people. They want to be able to earn their way in the world, they want the right to own their homes, support their families, educate their children. They do not want to be supported by the Government. I reject the statement that the poor people, the working men start communism in any part of the world.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I cannot help laughing at some of the arguments made in support of this substitute. Let us analyze the charge of fiscal irresponsibility leveled at our committee bill as against the claim of fiscal responsibility made for the amendment. What are they trying to do in this substitute? Everything we want to do in the committee bill, except they want to do it for only 1 year. In other words, if we do this just for 1 year it is fiscal responsibility, but if we intelligently plan for a period of years then it becomes fiscal irresponsibility.

If they knew the least thing about housing, even those who tell us they worked in the housing agency, they will have to admit you cannot program ahead for 1 year at a time for this type of endeavor. Construction work requires advance planning. You have to lay out your plans communitywise not for 1 year but 2, 3, and 4 years. The erection of a building is but a small part of the overall problem.

What we are seeking to do is fiscally responsible. Every city planner, every builder, will tell you, as they have repeatedly told our committee, that a 1-year authorization is almost useless. The only way you can do this properly is to pass the committee bill and reject the substitute.

This talk about keeping the Government out of private enterprise is utter nonsense. Is not the Government in it, when they say, "Let us get the Government into this only a year at a time." How senseless can one be as to say about a good program now more than 24 years old that we want the Government in it for only 1 year at a time in order to save the free enterprise system.

Let us look at this business about never helping anybody—we have had homestead laws, public works laws, public roads laws, public welfare laws, and public education laws since this country was founded.

This program is nothing more than the Government helping people to help themselves. We are not interfering with private enterprise. We are helping private enterprise do the American job in the American way. This substitute will defeat the program.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired.

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

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

There was no objection.

Mr. ROBISON. Mr. Chairman, an evening's work spent studying the provisions of H.R. 6028—otherwise known as the Housing Act of 1961—created an urge to resort to Webster's New Collegiate Dictionary the next morning in order to check on my recollection of the meaning of the word, "Hydra" as used in ancient Greek mythology.

Mr. Webster obliged by advising me that a "Hydra" was a serpent or monster, supposedly slain by Hercules, which had nine heads, any one of which when cut off was succeeded by two others, unless the wound was cauterized. It does not take a great deal of imagination for any Member of this body to relate that definition to the legislative package of nine titles now before us, which runs the gamut of things supposedly encompassed under the one heading of "housing" all the way from something called "open-space land" to the question of disposal of the Passyunk war housing project—whatever and wherever that may be.

This is not to say that this package—which may have only nine titles, but has a great many more than nine heads at least, at this point prior to the beginning of any attempt to cut some off—is all bad. Quite the contrary, many of those heads represent sound, going programs that have heretofore proved their value and are eminently worth saving and continuing. One of the best of those, of course, by any standards and by any test, is the one dealing with the extension of FHA mortgage-insurance authority, which program has been one of the most outstanding examples of cooperation between Government and private enterprise in the best American tradition.

Another example of an area of need, demanding responsible governmental participation, is the public housing field and there may here well be much that we can and should consider doing in behalf of our elder citizens of limited means, but I believe it is necessary for us to recognize that we must be always vigilant—in moving further into this area—lest we interfere with the proper activities of the free market and smother private enterprise. Thus, the emphasis on "responsible" governmental action.

That same emphasis on responsible governmental action applies with equal force concerning whatever we may decide to do with respect to funding and extending certain other programs, included in this bill, such as the urban renewal program, the college housing program, the FNMA special assistance mortgage-purchase authority, and so on, in which programs I find much that is good and much that is useful in order that we may progress toward our common goal of better communities and better housing for all segments of our population.

Who among us can question the President's recent statement that meeting such a goal, "will contribute to the Nation's economic recovery and its long-term economic growth," or his further comments that "a nation ill housed is not as strong as a nation with adequate homes for every family," and, "a nation with ugly, crime-infested cities and haphazard suburbs does not present the same image to the world as a nation characterized by bright and orderly urban development."

Nevertheless, notwithstanding those fine, brave words, unless we act here today in a sound and responsible manner, consistent with the principles upon which this Nation was founded and has flourished, we will awake tomorrow only to find that, truly, we have "built upon the sand."

In the interests of time, I shall not try to address myself to all that I find that is irresponsible in this bill. Suffice it to say that I cannot vote for it in its present form, and that, as efforts are made to improve it, I can only hope that in the end the good will more than balance the bad so that I can lend my support to the final product in order to show my deep concern for better homes and better communities for all Americans.

However that may be, Mr. Chairman, I would like to briefly address myself to a few of the worse features of H.R. 6028, at least as I see them.

May I start with that 40-year, no-downpayment mortgage provision, to which so many of my colleagues have addressed themselves. As has already been pointed out, there is a serious question here as to whether or not—by permitting some of our citizens to make this sort of a sacrifice for their country, we really have their welfare in mind. This proposal may sound fine but it makes little economic sense, and makes even less sense from the standpoint of social responsibility. Although holding forth an illusory promise of easy homeownership for millions of our people, the only way in which such a project for those millions would represent a sound investment would be for us to have, as a nation, a very substantial amount of inflation in the next 40 years. I say this because, without inflation, the purchaser of a $13,500 home on such terms would have, at the end of 40 years, and after paying a total of $33,383, exclusive of taxes, maintenance, insurance, and so on, a property worth only $7,020 at its properly depreciated value. Even if the general price level only doubled in the next 40 years, which would mean inflation at the rate of 2½ percent a year, the depreciated value of that home at the end of those 40 years would be only $14,040.

It could well be—from what we have so far seen of the economic theorists who populate the New Frontier—that the new administration has firmly fixed in its mind that sort of a galloping inflation as one of the otherwise unspecified sacrifices we all are expected to be willing

to make. Let us hope that that is not the case.

However, in any event, this program practically holds forth an open invitation to any such borrower to walk out on his obligation. In fact, his doing so may well become an economic necessity. Consider such a home buyer attempting to sell or trade his property in order to buy another at the end of 9 years of his occupancy; he will find that his equity accumulation is $670 short of the remaining balance due on his mortgage. In addition to that, he would presumably be liable to pay a real estate commission on the sale of his house and, if that amounted to 6 percent or thereabouts including closing costs, or another $705, he would find that he would be $1,375 short, a deficit which relatively few real estate owners would be willing to accept as a downpayment on another home—much better, then, to simply walk out on his original property and his obligation. Based on my own more than 10 years' experience as a director of a Federal savings and loan association, I have serious doubts as to whether any responsible such association would even consider such a loan. Where will the money come from then? Only from "Fannie Mae," as FNMA is known to the building trade, and we can thus only anticipate a great deal more deficit financing to provide Fannie Mae with the necessary funds. In all honesty, then, if it is to be our decision that such a program as this is essential, we might better do whatever is necessary to finance the program directly, as another kind of public housing where the buyer is not really a buyer at all, but only a renter, courtesy of Uncle Sam.

One other aspect of this proposal deserves attention before I leave it. We are presently considering a $2-billion authorization in this same package to further fund our urban renewal program. If the 40-year, no-downpayment gimmick should become law, it will, in my judgment, destroy any sense of responsibility that is normally associated with homeownership. If it is going to take a man 12 years before he has even built up enough equity to pay for the bathroom, he is not likely to take much pride in ownership. Therefore, we may well find that we are creating new slum conditions faster than we can attack the problem of cleaning up existing ones. At best, if we are going to have these 40-year mortgages we better also vote through a grant to our scientist friends to do the necessary research toward developing a slower chewing termite.

The package also includes some tinkering with FHA which may prove to be equally unsound. As is pointed out in the minority report, one of the basic reasons why FHA has worked so well so far is that both borrower and lender have been required to have a measure of self-interest in the transaction. I have touched on the values of having a borrower with self-interest. Now, the suggestion for a 100-percent cash takeout the moment trouble occurs—in lieu of the existing program of requiring a lender to foreclose on a defaulted loan and take his loss in FHA debentures and certificate of claim, shifts the entire risk to the FHA. In effect, it comes close to making FHA a direct lending program on the part of the Government. Aside from what this does to the concept of free enterprise, as most of us have always understood it, it also opens wide the door to unsound loans and to unheard-of bonanzas for unscrupulous land developers and lenders.

Another item in this package—which seems to include something for everybody but the American taxpayer—would permit FHA home improvement loans, unsecured in nature, of up to $10,000 per dwelling unit with a maximum maturity of 20 years. This, again, smacks of irresponsibility cloaked in the disguise of encouraging easy home repair and rehabilitation, and the same argument can be made against it as are made with respect to the 40-year, no-downpayment pipedream.

All of us want to see America grow, but the America we know was not built in this fashion, and I do not believe that the America we hope to have can be so constructed.

Now, let us look at the community facilities loan program authorization—upped from a budgeted $50 million to $500 million by a most generous committee majority—10 times what the President has asked for, and what his representative testified was adequate to keep this program going in competition with the antipollution program and, now, the depressed areas law. Could it be that none of those members serving on the majority side of this committee were present in the House Chamber when the President recently admonished us all to "hold tightly to prudent fiscal standards, to refrain from adding funds to programs, desirable as they may be"? If they were, this is certainly an odd way of responding to the Presidential warning.

As for the authorizations here for public housing, I was brought up—perhaps in a different sort of America than we know today—not to buy what I could not afford, and certainly not more than I actually needed. Maybe this was an old-fashioned point of view. Or, and maybe more likely, this new administration prefers to remove our public housing program out from under congressional review and control, in the same manner it seeks to now relieve us from the bother of trying to fashion workable farm programs. I am not against the concept of public housing. I believe that, kept within proper bounds, it serves a real need. However, all available statistics, even when properly weighed, indicate that we have as of this date enough units of authorized public housing to last some 19 months, and that the schedule of programed units is badly clogged and bogged down by virtue of local failures to follow through. Why, then, the sudden need to authorize another 100,000 new units, the real need for which will not even become apparent for at least a year? I confess, I do not know the answer, and the committee has so far been unable to further enlighten me. Therefore, why not strike this item and look at it again when the true need to do so is more apparent?

And so, though there is much more that I would like to say about other unnecessary or overgenerous items in this package, we come to urban renewal. This is a program concerning which many of us have had serious reservations. However, where properly applied, with careful advance planning and strong community interest and support, it holds forth great promise of revitalizing our urban areas. I have noted, with approval, the fact that my two major cities, Binghamton and Elmira, N.Y., are both moving forward with worthwhile projects under this program in just such a fashion, and that there is growing interest in the program stirring in other smaller cities in my district.

Of course, I am desirous of seeing those local projects carried through to successful conclusions. Nevertheless, I believe it extremely important, on a national level, that we keep this and other similar Federal programs in proper perspective and in line with the many other burdens which only the Federal Government can carry in this troubled world.

As all of us are, of course, fully aware, the President has recently brought home from Vienna a somber report concerning the growing Communist challenge and Mr. Khrushchev's mounting intransigence. If any further evidence of this is needed, it has been furnished by Khrushchev, himself, in the form of a new ultimatum concerning Berlin. Today's headlines also tell us that Ambassador Stevenson is about to deliver to the President a grim report concerning what he has found on his recent trip through South America.

The President, himself, speaks of our urgent need to devote more of our attention and our money to our own national security, and to such things—which he seeks to relate to national security—as sending a man to the moon before the Russians can. It seems necessary, therefore, for this Congress to carefully consider just how far this Nation's resources can be stretched and over how wide an area they can be spread. If I have any fault to find with this new administration of ours so far, it would center around its failure to recognize that this is an area in which certain judgments must be made, certain priorities established. If the President continues to neglect to provide us with leadership of this sort, it is up to the Congress to do so, itself, in behalf of national security.

Let us look at urban renewal. Over the 12 years this program has been in existence, total grants of $2 billion have been authorized and virtually all of that is presently committed. Remember that this is over a 12-year period. Now, in H.R. 6028 we are asked to approve a further authorization of $2 billion which is supposed to last for the next 4 years, although all of it could—as the bill is written—be committed as soon as this bill becomes law. So, in essence, we are stepping up our attack on city blight very sharply, pouring in Federal funds for the supposedly next 4 years at a rate equivalent to what we have done in the past 12.

This is in line with the President's demand that we must have "a broader

and more effective program to remove blight," but an indication of the magnitude of the task we have set for ourselves is furnished by New York City where slum prices are so inflated by overcrowding and undertaxation that redevelopment purchases there have averaged $481,000 an acre. So you can see that with its estimated 7,000 acres of remaining blight and decay to be reclaimed, New York City, alone, could use up all and more of the authorization we now consider.

Despite the evident good that this program can and will do—once the lessons we have learned concerning waste, poor planning, and inefficiency that have marred our progress so far have been assimilated—there is a serious question whether we can afford to go full speed ahead just now. I have never been greatly impressed by the argument that annual congressional reviews and authorizations tend to create local uncertainties and slow renewal progress. That may be the case to a limited extent, but it ought by now to be obvious to all our city fathers that this program is here to stay, and that this and future Congresses will do the best they can to keep it going.

In my judgment, therefore, it is much better for us to give our approval to the substitute measure that I understand will soon be offered, which will accept that same figure of $2 billion as a 4-year program, but will cut that amount in quarters, thus authorizing $500 million for the next fiscal year. Who can find fault with that, outside of those downtown who seek, for whatever reason, to further remove this and other matters from congressional control. That is a trend that I have and will always continue to resist so long as I am privileged to serve in this body, because I am convinced that much of America's underlying strength rests on the very principle of checks and balances that is here endangered.

In voting for that substitute—at least insofar as the urban renewal part of it is concerned—I want only to further say that I wish more attention was being given here in Washington to the questions of why slums in so many places are still spreading faster than new homes can be built to replace them, why cities are disintegrating in suburban sprawl instead of expanding in a plannable way, why slums are the most profitable property anyone can buy, and why cities subsidize slums by undertaxation and penalize improvements by overtaxation. I would also wish to know why so many roadblocks are thrown by big government—that says it is dedicated to the promotion of the growth factors inherent in a free economy—in the way of a private enterprise system that stands ready, willing, and able to do what must be done. These are questions that cannot be answered by bigger subsidies or more liberal spending, but can be answered at little or no cost to the taxpayer by that sort of new fresh thinking and new vigorous leadership that so many expected of the New Frontiersmen, but which so far they have utterly failed to produce.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. HALLECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. McDONOUGH and Mr. RAINS.

The Committee divided and the tellers reported that there were—ayes 164, noes 197.

So the amendment was rejected.

The Clerk read as follows:

TITLE I—NEW HOUSING PROGRAMS

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 in subsection (d)(2) "(A) not to exceed" and all that follows down through "the succeeding provisos:" and inserting in lieu thereof the following: "(A) not to exceed (i) $11,000 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) (i) in the case of new construction, not to exceed the appraised value (as of the date the mortgage is accepted for insurance) of any such property, less such amount, in the case of any mortgagor, as may be necessary to comply with the succeeding provisos, and (ii) 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:";

(5) striking out the last proviso in subsection (d)(2);

(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 (other than a public housing agency under the United States Housing Act of 1937), 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—

"(i) not exceed $12,500,000;

"(ii) not 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 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 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 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 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 geogaphical area where he finds that cost levels so require;";

(9) striking out in subsection (d)(4)(iv) all that follows "iv)" down through "*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 on project: *Provided"*;

(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 before the period at the end of subsection (d)(5) the following: ": *Provided,* That a mortgage insured under the provisions of subsecton (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, and there shall be no differentiation in the rate of interest charged under this proviso as between mortgagors under subsection (d)(3) on the basis of differences in the types or classes of such mortgagors";

(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 date of enactment 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; but in any case where the premium charge is waived or reduced (either as to amount or as to period payable) or where the interest rate as determined under the proviso in subsection (d)(5) is below the market rate for similar mortgages as determined by the Commissioner, initial occupancy of a project covered by such a mortgage shall be limited under regulations of the Commissioner to families and individuals whose incomes make it impossible for them to obtain decent, safe, and sanitary housing in the private market. No mortgage shall be insured under 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 which are insured or initially endorsed for insurance on or after the date of enactment of the Housing Act of 1961, notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such paragraphs in cash or in debentures (as provided in the mortgage insurance contract), or may acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) 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 any such 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. The appropriate provisions of sections 204 and 207 relating to the issuance of debentures shall apply with respect to debentures issued under this paragraph, and the appropriate provisions of sections 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 paragraph, 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 so acquired (A) all references in section 204 to the Mutual Mortgage Insurance Fund or the 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, the Housing Fund, or the 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 is 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 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."

Home improvement and rehabilitation loans

SEC. 102. (a) Section 220 of the National Housing Act is amended by—

(1) striking out the provisos in subsections (d)(3)(A)(i) and (d)(3)(B)(ii) and inserting in lieu thereof in each subsection the following: ": *Provided,* That in the case of properties other than new construction, the foregoing limitations upon the amount of the mortgage shall be based upon 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 rather than upon the Commissioner's estimate of the replacement cost";

(2) striking out "mortgage insurance" in subsection (a) and inserting in lieu thereof "loan and mortgage insurance"; and

(3) adding at the end thereof the following subsection:

"(h)(1) To assist further in the conservation, improvement, repair, and rehabilitation of property located in the area of an urban renewal project, as provided in paragraph (1) of subsection (d) of this section, the Commissioner is authorized upon such terms and conditions as he may prescribe to make commitments to insure and to insure home improvement loans (including advances during construction or improvement) made by financial institutions on and after the date of enactment of the Housing Act of 1961. As used in this subsection, 'home improvement loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) used or to be used primarily for residential purposes; 'improvement' means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and 'financial institution' means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgage approved under section 203(b)(1).

"(2) To be eligible for insurance under this subsection, a home improvement loan shall—

"(i) not exceed the Commissioner's estimate of the cost of improvement, or $10,000 per family unit, whichever is the lesser;

"(ii) be limited to an amount which when added to any outstanding indebtedness related to the property (as determined by the Commissioner) creates a total outstanding indebtedness which does not exceed the limits provided in subsection (d)(3) for properties (of the same type) other than new construction;

"(iii) bear interest at not to exceed a rate prescribed by the Commissioner, but not in excess of 6 per centum per annum of the amount of the principal obligation outstanding at any time, and such other charges (including such service charges, appraisal, inspection, and other fees) as may be approved by the Commissioner;

"(iv) have a maturity satisfactory to the Commissioner, but not to exceed twenty

years from the beginning of amortization of the loan or three-quarters of the remaining economic life of the structure, whichever is the lesser;

"(v) comply with such other terms, conditions, and restrictions as the Commissioner may prescribe; and

"(vi) represent the obligation of a borrower who is the owner of the property improved, or a lessee of the property under a lease for not less than 99 years which is renewable or under a lease having a period of not less than 50 years to run from the date of the loan.

"(3) Any home improvement loan insured under this subsection may be refinanced and extended in accordance with such terms and conditions as the Commissioner may prescribe, but in no event for an additional amount or term in excess of the maximum provided for in this subsection.

"(4) There is hereby created a separate Section 220 Home Improvement Account to be maintained under the Section 220 Housing Insurance Fund and to be used by the Commissioner as a revolving fund for carrying out the provisions of this subsection. The Commissioner is authorized to transfer to such fund the sum of $1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. Any premium charges and appraisal and other fees received on account of the insurance of any home improvement loan accepted for insurance under this subsection, and the receipts derived from the sale, collection, deposit, or compromise of any evidence of debt, contract, claim, property, or security assigned to or held by the Commissioner in connection with the payment of insurance under this subsection, shall be credited to the Section 220 Home Improvement Account. Insurance claims under this subsection and expenses incurred in the handling, management, renovation, and disposal of any properties acquired by the Commissioner under this subsection shall be charged to the Section 220 Home Improvement Account. General expenses of operation of the Federal Housing Administration and other expenses incurred under this subsection may be charged to the Section 220 Home Improvement Account. Moneys in the Account not needed for the current operation of the Federal Housing Administration under this subsection shall be deposited with the Treasurer of the United States to the credit of the Account, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by the United States. In order to protect the solvency of the Section 220 Home Improvement Account, adequate security shall be taken in connection with loans insured under this subsection in such manner as the Commissioner may require.

"(5) The Commissioner is authorized to fix a premium charge for the insurance of home improvement loans under this subsection but in the case of any such loan such charge shall not be less than an amount equivalent to one-half of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the loan outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the financial institution either in cash or in debentures (at par plus accrued interest) issued by the Commissioner as obligations of the Section 220 Home Improvement Account, in such manner as may be prescribed by the Commissioner, and the Commissioner may require the payment of one or more such premium charges at the time the loan is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the loan. If the Commissioner finds upon presentation of a loan for insurance and the tender of the initial premium charge or charges so required that the loan complies with the provisions of this subsection, such loan may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In the event the principal obligation of any loan accepted for insurance under this subsection is paid in full prior to the maturity date, the Commissioner is authorized to refund to the financial institution for the account of the borrower all, or such portions as he shall determine to be equitable, of the current unearned premium charges theretofore paid.

"(6) In cases of defaults on loans insured under this subsection, upon receiving notice of default, the Commissioner, in accordance with such regulations as he may prescribe, may acquire the loan and any security therefor upon payment to the financial institution in cash or in debentures (as provided in the loan insurance contract) of a total amount equal to the unpaid principal balance of the loan, plus any accrued interest, any advances approved by the Commissioner made previously by the financial institution under the provisions of the loan instruments, and reimbursement for such collection costs, court costs, and attorney fees as may be approved by the Commissioner.

"(7) Debentures issued under this subsection shall be executed in the name of the Section 220 Home Improvement Account as obligor, shall be signed by the Commissioner, by either his written or engraved signature, shall be negotiable, and shall be dated as of the date the loan is assigned to the Commissioner and shall bear interest from that date. They shall bear interest at a rate established by the Commissioner pursuant to section 224, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature ten years after their date of issuance. They shall be exempt from taxation as provided in section 207(i) with respect to debentures issued under that section. They shall be paid out of the Section 220 Home Improvement Account which shall be primarily liable therefor and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and the guaranty shall be expressed on the face of the debentures. In the event the Section 220 Home Improvement Account fails to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon, to the extent of the amount so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures. Debentures issued under this subsection shall be in such form and denominations in multiples of $50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and they may be in coupon or registered form. Any difference between the amount of the debentures to which the financial institution is entitled, and the aggregate face value of the debentures issued, not to exceed $50, shall be adjusted by the payment of cash by the Commissioner to the financial institution from the Section 220 Home Improvement Account.

"(8) The provisions of subsections (c), (d), and (h) of section 2 shall apply to home improvement loans insured under this subsection, and for the purposes of this subsection references in subsections (c), (d), and (h) of section 2 to 'this section' or 'this title' shall be construed to refer to this subsection.

"(9)(A) Notwithstanding any other provisions of this Act, no home improvement loan executed in connection with the improvement of a structure for use as rental accommodations for five or more families shall be insured under this subsection unless the borrower has agreed (i) to certify, upon completion of the improvement and prior to final endorsement of the loan, either that the actual cost of improvement equaled or exceeded the proceeds of the home improvement loan, or the amount by which the proceeds of the loan exceeded the actual cost, as the case may be, and (ii) to pay forthwith to the financial institution, for application to the reduction of the principal of the loan, the amount, if any, certified to be in excess of the actual cost of improvement. Upon the Commissioner's approval of the borrower's certification as required under this paragraph, the certification shall be final and incontestable, except for fraud or material misrepresentation on the part of the borrower.

"(B) As used in subparagraph (A), the term 'actual cost' means the cost to the borrower of the improvement, including the amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organization and legal expenses, such allocations of general overhead items as are acceptable to the Commissioner, and other items of expense approved by the Commissioner, plus a reasonable allowance for builder's profit if the borrower is also the builder, as defined by the Commissioner, and excluding the amount of any kickbacks, rebates, or trade discounts received in connection with the improvement.

"(10) Notwithstanding any other provision of this Act, the Commissioner is authorized and empowered (i) to make expenditures and advances out of funds made available by this Act to preserve and protect his interest in any security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to, insured by, or acquired by the Commissioner or by the United States under this subsection, or section 2 or 203(k); and (ii) to bid for and to purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any loan or other indebtedness owing to or acquired by the Commissioner or by the United States under this subsection, or section 2 or 203(k). The authority conferred by this paragraph may be exercised as provided in the last sentence of section 204(g)."

(b) Section 203 of the National Housing Act is amended by—

(1) striking out in subsection (e) "of the mortgage" and inserting in lieu thereof "of the loan or mortgage";

(2) striking out in subsection (e) "approved mortgagee" each place it appears and inserting in lieu thereof "approved financial institution or approved mortgagee"; and

(3) adding at the end thereof the following subsection:

"(k) To supplement the mortgage insurance provisions of this section in order to assist the conservation, improvement, and alteration of housing, the Commissioner is authorized to make commitments to insure and to insure a home improvement loan (including advances during construction or improvement) under this subsection in accordance with the provisions of section 220(h), except that (1) the structure improved shall be designed for occupancy by not more than four families and shall not be required to be located in the area of an urban renewal project, (2) the Commissioner shall find that the project with respect to which the loan is executed is economically sound, (3) all funds received and all disbursements

made shall be credited or charged, as appropriate, to a separate Section 203 Home Improvement Account to be maintained as hereinafter provided under the Mutual Mortgage Insurance Fund, and (4) insurance benefits shall be paid in debentures executed in the name of the Section 203 Home Improvement Account. For the purposes of this subsection, the Commissioner shall have all the authority provided in section 220(h). Debentures issued with respect to loans insured under this subsection shall be issued in accordance with sections 220(h)(6) and 220(h)(7), except that as applied to those loans references in section 220(h) to 'this subsection' shall be construed to refer to this section 203(k), references to the Section 220 Home Improvement Account shall be construed to refer to the Section 203 Home Improvement Account, and references to the Section 220 Housing Insurance Fund shall be construed to refer to the Mutual Mortgage Insurance Fund. All of the provisions in section 220(h)(4) relative to the Section 220 Home Improvement Account shall be equally applicable to the Section 203 Home Improvement Account. There is hereby created a separate Section 203 Home Improvement Account under the Mutual Mortgage Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this subsection, and the Commissioner is authorized to transfer to such Account the sum of $1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. The provisions of section 205(c) shall not be applicable to loans insured under this subsection."

(c) Section 305 of the National Housing Act is amended by adding at the end thereof (after the new subsection added by section 101(c) of this Act) the following new subsection:

"(i) Notwithstanding any other provision of this Act, 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, any home improvement loans insured under section 220(h) of this Act."

Experimental housing mortgage insurance

SEC. 103. Title II of the National Housing Act is amended by adding at the end thereof the following section:

"Experimental housing

"SEC. 233. (a) In order to assist in lowering housing costs and improving housing standards, quality, livability, or durability, or neighborhood design through the utilization of advanced housing technology, or experimental property standards, the Commissioner is authorized to insure and to make commitments to insure, under this section, mortgages (including, in the case of mortgages insured under subsection (b)(2) of this section, advances on such mortgages during construction) secured by properties including dwellings involving the utilization and testing of advanced technology in housing design, materials, or construction, or experimental property standards for neighborhood design if the Commissioner determines that (1) the property is an acceptable risk, giving consideration to the need for testing advanced housing technology, or experimental property standards, (2) the utilization and testing of the advanced technology or experimental property standards involved will provide data or experience which the Commissioner deems to be significant in reducing housing costs or improving housing standards, quality, livability, or durability, or improving neighborhood design, and (3) the mortgages are eligible for insurance under the provisions of this section and under any further terms and conditions which may be prescribed by the Commissioner to establish the acceptability of the mortgages for insurance.

"(b) To be eligible for insurance under this section a mortgage shall—

"(1) meet the requirements of section 203(b), except that the maximum principal obligation of the mortgage as computed under clauses (i), (ii), and (iii) of section 203(b)(2) shall be determined on the basis of the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction rather than value, and the proviso in section 203(b)(8) shall not be applicable to mortgages insured under this section; or

"(2) meet the requirements of section 207(b) and section 207(c), except that the maximum principal obligation of the mortgage as computed under section 207(c)(2) shall be determined on the basis of the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction rather than value.

"(c) The Commissioner may enter into such contracts, agreements, and financial undertakings with the mortgagor and others as he deems necessary or desirable to carry out the purposes of this section, and may expend available funds for such purposes, including the correction (when he determines it necessary to protect the occupants), at any time subsequent to insurance of a mortgage, of defects or failures in the dwellings which the Commissioner finds are caused by or related to the advanced housing technology utilized in their design or construction or experimental property standards.

"(d) The Commissioner may make such investigations and analyses of data, and publish and distribute such reports, as he determines to be necessary or desirable to assure the most beneficial use of the data and information to be acquired as a result of this section.

"(e) Any mortgagee under a mortgage insured under subsection (b)(1) of this section shall be entitled to the benefits of the insurance as provided in section 204(a) with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall apply to the mortgages insured under subsection (b)(1), except that as applied to those mortgages (1) all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, and (2) all references therein to section 203 shall be construed to refer to this section.

"(f) Any mortgagee under a mortgage insured under subsection (b)(2) of this section shall be entitled to the benefits of the insurance as provided in section 207(g) with respect to mortgages insured under section 207, and the provisions of subsections (d), (e), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to the mortgages insured under subsection (b)(2) of this section, except that as applied to those mortgages (1) all references therein to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, and (2) all references therein to 'this section' shall be construed to refer to this section 233.

"(g) Notwithstanding the provisions of subsections (e) and (f) of this section, in the case of default of any mortgage insured under this section, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such subsections in cash or in debentures (as provided in the mortgage insurance contract), or may acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Commissioner made previously by the mortgagee under the provisions of the mortgage. After the acquisition of the mortgage by the Commissioner the mortgagee shall have no further rights, liabilities, or obligations with respect to the mortgage. 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 sections 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 (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, (2) all references in section 204 to section 203 shall be construed to refer to this section, and (3) all references in section 207 to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Experimental Housing Insurance Fund.

"(h) There is hereby created an Experimental Housing Insurance Fund to be used by the Commissioner as a revolving fund to carry out the provisions of this section, and the Commissioner is directed to transfer the sum of $1,000,000 to the Fund from the War Housing Insurance Fund created by section 602 of this Act. General expenses of operation of the Federal Housing Administration and other expenses incurred under this section may be charged to the Experimental Housing Insurance Fund."

Individually owned units in multifamily structures

SEC. 104. Title II of the National Housing Act is amended by adding after section 233 (as added by section 103 of this Act) the following section:

"Mortgage insurance for individually owned units in multifamily structures

"SEC. 234. (a) The purpose of this section is to provide an additional means of increasing the supply of privately owned dwelling units where, under the laws of the State in which the property is located, real property title and ownership are established with respect to a one-family unit which is part of a multifamily structure.

"(b) The terms 'mortgage', 'mortgagee', 'mortgagor', 'maturity date', and 'State' shall have the meanings respectively set forth in section 201, except that the term 'mortgage' for the purposes of this section may include a first mortgage given to secure the unpaid purchase price of a fee interest in, or a long-term leasehold interest in, a one-family unit in a multifamily structure and an undivided interest in (or share in cooperative ownership of) the common areas and facilities which serve the structure where the mortgage is determined by the Commissioner to be eligible for insurance under this section. The term 'common areas and facilities' as used in this section shall be deemed to include the land and such commercial, community, and other facilities as are approved by the Commissioner.

"(c) The Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe (including the minimum number of family units in the structure which shall be offered for sale and provisions for the protection of the

consumer and the public interest), to insure any mortgage covering a one-family unit in a multifamily structure and an undivided interest in (or share in cooperative ownership of) the common areas and facilities which serve the structure, if (1) the mortgage meets the requirements of this section and of section 203(b), except as that section is modified by this section; (2) the structure is or has been covered by a mortgage insured under another section (except section 213) of this Act, notwithstanding any requirements in any such section that the structure be constructed or rehabilitated for the purpose of providing rental housing; and (3) the mortgagor is acquiring a one-family unit for his own use and occupancy and not for speculative purposes. Any project proposed to be constructed or rehabilitated after the date of enactment of the Housing Act of 1961 with the assistance of mortgage insurance under this Act, where the sale of family units is to be assisted with mortgage insurance under this section, shall be subject to such requirements as the Commissioner may prescribe. To be eligible for insurance pursuant to this section a mortgage shall (A) involve a principal obligation in an amount not to exceed the limits per room and per family dwelling unit provided by section 207(c)(3), and not to exceed the sum of (i) 97 per centum of $13,500 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $13,500 but not in excess of $18,000, and (iii) 70 per centum of such value in excess of $18,000, and (B) have a maturity satisfactory to the Commissioner but not to exceed, in any event, thirty years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the structure, whichever is the lesser. In determining the amount of a mortgage in the case of a nonoccupant mortgagor the reference to paragraph (2) of section 203(b) in section 203(b)(8) shall be construed to refer to the preceding sentence in this section. The mortgage shall contain such provisions as the Commissioner determines to be necessary for the maintenance of common areas and facilities and the multifamily structure. The mortgagor shall have exclusive right to the use of the one-family unit covered by the mortgage and, together with the owners of other units in the multifamily structure, shall have the right to the use of the common areas and facilities serving the structure and the obligation of maintaining all such common areas and facilities. The Commissioner may require that the rights and obligations of the mortgagor and the owners of other dwelling units in the structure shall be subject to such controls as he determines to be necessary and feasible to promote and protect individual owners, the multifamily structure, and its occupants. For the purposes of this section, the Commissioner is authorized in his discretion and under such terms and conditions as he may prescribe to permit one-family units and interests in common areas and facilities in multifamily structures covered by mortgages insured under any section of this Act (other than section 213) to be released from the liens of those mortgages.

"(d) Any mortgagee under a mortgage insured under this section is entitled to receive the benefits of the insurance as provided in section 204(a) of this Act with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable to the mortgages insured under this section, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Apartment Unit Insurance Fund, (2) all references therein to section 203 shall be construed to refer to this section, and (3) the excess remaining, referred to in section 204(f)(1), shall be retained by the Commissioner and credited to the Apartment Unit Insurance Fund.

"(e) There is hereby created the Apartment Unit Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section. The Commissioner is authorized to transfer to the Fund the sum of $1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this section may be charged to the Apartment Unit Insurance Fund. The provisions of the second and third paragraphs of section 220(g) shall be applicable to the Apartment Unit Insurance Fund and to this section, all references therein to the Section 220 Housing Insurance Fund or the Fund shall be construed to refer to the Apartment Unit Insurance Fund, and all references therein to 'this section' shall be construed to refer to this section 234.

"(f) The provisions of section 225, 229, and 230 shall be applicable to the mortgages insured under this section."

Mr. RAINS (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. RAINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS: Page 58, strike out line 7 and all that follows down through page 70, line 5, and insert the following:

"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 all of subsection (d)(2) down through 'other prepaid expenses:' and inserting in lieu thereof the following:

"'(2) be secured by property upon which there is located a dwelling designed principally for a single-family residence, conforming to applicable standards prescribed by the Commissioner under subsection (f) of this section, and meeting the requirements of all State laws, or local ordinances or regulations, relating to the public health or safety, zoning, or otherwise, which may be applicable thereto, and shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount (A) not to exceed $11,000, except that the Commissioner may increase such amount to not to exceed $15,000 in any geographical area where he finds that cost levels so require; and (B)(i) in the case of new construction, not to exceed the appraised value (as of the date the mortgage is accepted for insurance) of any such property, less such amount, in the case of any mortgagor, as may be necessary to comply with the succeeding provisos, and (ii) 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 if the mortgagor is the owner and occupant of the property at the time of insurance, he shall have paid on account of the property at least $200 in the case of a family displaced from an urban renewal area or as a result of governmental action, or at least 3 per centum of the appraised value of the property as of such time in any other case, which amount may include amounts to cover settlement costs and initial payments for taxes, hazard insurance, mortgage insurance premium, and other prepaid expenses:';

"(5) striking out the last proviso in subsection (d)(2);

"(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 (other than a public housing agency under the United States Housing Act of 1937), 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—

"'(i) not exceed $12,500,000;

"'(ii) not 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 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 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 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) all that follows '(iv)' down through *'And provided further'* and inserting in lieu thereof the following: 'not to 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*';

"(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 in the case of a family displaced from an urban renewal area or as a result of governmental action or thirty-five years from such date in any other case,';

"(11) inserting before the period at the end of subsection (d)(5) the following: ': *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, and there shall be no differentiation in the rate of interest charged under this proviso as between mortgagors under subsection (d)(3) on the basis of differences in the types or classes of such mortgagors';

"(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 date of enactment 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; but in any case where the premium charge is waived or reduced (either as to amount or as to period payable) or where the interest rate as determined under the proviso in subsection (d)(5) is below the market rate for similar mortgages as determined by the Commissioner, initial occupancy of a project covered by such a mortgage shall be limited under regulations of the Commissioner to families and individuals whose incomes make it impossible for them to obtain decent, safe, and sanitary housing in the private market. No mortgage shall be insured under 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 which are insured or initially endorsed for insurance on or after the date of enactment of the Housing Act of 1961, notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such paragraphs in cash or in debentures (as provided in the mortgage insurance contract), or may acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) 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 any such 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. The appropriate provisions of sections 204 and 207 relating to the issuance of debentures shall apply with respect to debentures issued under this paragraph, and the appropriate provisions of sections 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 paragraph, 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 so acquired (A) all references in section 204 to the Mutual Mortgage Insurance Fund or the 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, the Housing Fund, or the 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(a)(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 is 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 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'."

Mr. RAINS (interrupting the reading). Mr. Chairman, I am sure the Members are familiar with the purport of this amendment. I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. DERWINSKI. Mr. Chairman, reserving the right to object, will there be ample time to discuss this amendment and know what it is about?

Mr. RAINS. I have only 5 minutes but I will do the best I can to explain it. I am sure there will be plenty of time to debate it.

Mr. Chairman, in all of the discussion on the housing bill, and in all the talks I have had about it since it was reported, no single subject seems to have touched off as much steam as the proposal to permit 40-year loans with a $200 downpayment for families of modest income.

Frankly, I am at a loss to understand why so much heat has been generated on this one topic. For one thing, we have

had an FHA 40-year loan on the statute books for many years. Since 1950 a 40-year loan has been available to sales type cooperatives under the section 213 program. Forty-year loans have been available for displaced families under section 221 since 1954, a provision I should point out which was authorized in the Housing Act of 1954 during a time when our colleagues on the other side of the aisle were in control of the Congress.

No one seems to realize that the repayment experience on these loans has been excellent. Losses on 40-year loans insured to date by FHA have been minimal, no more than one-fourth of 1 percent.

All that section 101 of the bill proposes to do is to expand the eligible groups that can benefit by the terms of a 40-year loan with a $200 cash payment. Under the terms of the bill, any family, not just a displaced family, would be able to buy a house on these terms, provided the house does not cost more than $15,000.

I do not intend at this time to discuss the merits and demerits of the 40-year loan with a $200 cash payment. All of us know that after yesterday's general debate there is not much new that can be said on the subject.

Mr. Chairman, after 16 years in this great representative body, I have learned that at times a realistic compromise is the only answer. It became clear that for various reasons a majority of this body is reluctant to authorize a more general application of what is called the 40-year, no-downpayment loan, although for many families the $200 cash payment is certainly a substantial downpayment in their minds. For this reason, Mr. Chairman, as I stated yesterday, I am now offering an amendment to the amendment to strike section 101 which I hope will reconcile the differences and objections on this controversial subject.

My amendment, Mr. Chairman, is a redraft of section 101. It incorporates most of the present section 101 and makes only the following changes:

First, it limits section 221 financing to single-family dwellings. I have always had reservations about the desirability of permitting this liberal form of financing to be used by a single person buying a 2-, 3-, or 4-family unit; and, accordingly, my amendment confines the sales housing provision of section 221 to single-family homes.

Second, my amendment reduces the permissible maturity from 40 to 35 years. The 35-year term will not permit as substantial a reduction in monthly financing charges as a 40-year loan, but it will still offer lower payments than the present 30-year maximum.

Third, my amendment would require the same downpayment factor as is prescribed for the regular FHA section 203 sales housing program. In other words, each family would have to pay a minimum of 3 percent of the purchase price of the home. However, to give some measure of preference to moderate income families my amendment would permit the 3-percent payment to cover closing costs. In other words 3 percent of the price would be the total cash payment required. Under section 203 part of the closing costs have to be paid in cash as well.

I should emphasize, Mr. Chairman, that these restrictive amendments will apply only to the new eligible groups under section 221 and will not affect the existing financing terms available to displaced families for single-family homes: Forty years with a $200 cash payment.

Mr. Chairman, I believe that these three amendments to section 101 should remove most, if not all, of the features which so many Members of this body have apparently found objectionable. With these amendments I cannot conceive of a majority of this body rejecting section 101 of the bill and I hope that with the adoption of my amendment all of the furor and controversy over this provision will be laid to rest.

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

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

Mr. JENSEN. Does the committee bill provide that a borrower of money to build a home under the provisions of this act must live in the home?

Mr. RAINS. Yes.

It has always been in the basic FHA law and is required by FHA regulations that it must be his residence.

Mr. JENSEN. Can this borrower sell that home at his own discretion at any time?

Mr. RAINS. Why, that has always been the law. This is a straight FHA program. You certainly cannot say he could not sell his house.

Mr. JENSEN. Then he can borrow to build another home?

Mr. RAINS. Certainly. He does not borrow it from the Government.

Mr. JENSEN. Of course, that would create speculation in homebuilding.

Mr. RAINS. I never heard that before.

Mr. JENSEN. By a borrower.

Mr. RAINS. I never heard that argument advanced.

Mr. JENSEN. Certainly. I was in the lumber business for 24 years, and I know all about it.

Mr. RAINS. Would the gentleman be willing to restrict FHA loans and say you can only have one of these loans? If you did, you would strangle the homebuilding industry in this country and the lumber business also.

Mr. JENSEN. I believe there should be a provision in the bill that would keep a borrower from being a speculator in homes.

Mr. RAINS. I do not think that should be in the bill at all.

Mr. CLEM MILLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been generally agreed by spokesmen from varying points of view that a major housing need in the United States today is housing for moderate-income or middle-income families.

Families in this group, whose incomes are too high to qualify them for public assistance housing and too low to enable them to enter the open market for privately constructed housing have nowhere to turn. We feel that the new housing bill goes a long way to meet the needs of these families with the special provisions for 40-year mortgages, no downpayments, and lower interest rates.

We all recognize that the housing market has increasingly become a selective market. It is no longer possible, as it once was, to meet a vast unfilled backlog of demand for housing by simply providing ample credit. Credit must be used selectively in such a manner as to encourage private industry to meet the unfulfilled demands of moderate income families.

It is here, among the moderate- and middle-income families that the largest unfulfilled demand for housing exists.

We face the problem of determining the limits of this sector of the American economy. Who are the moderate income? And is it not true that as we move from one section of the country to another we find that the composition of this group by occupation and wage levels changes.

VARIATIONS IN CITY WORKERS' BUDGETS

As the following illustrates, the cost of the family budget of a city worker varies widely from city to city. To provide the same size family with the same "modest but adequate" level of living cost $5,370 in Houston, Tex., in the autumn of 1959 and $6,567 in Chicago, Ill. San Francisco is $6,304, Los Angeles, $6,285, Portland, $6,222, and so on.

The Department of Labor defines a city worker's budget as follows:

The city worker's family budget was originally developed by the Bureau of Labor Statistics in 1946–47 at the request of the Congress and with the assistance of a technical advisory committee. It relates to a family of 4 persons, consisting of an employed husband, aged 38, with a wife not employed outside the home, and 2 children, a girl aged 8 and a boy aged 13, who live in a rented dwelling in a large city or its suburbs. It was designed to estimate the dollar amount required to maintain such a family at a level of adequate living, according to prevailing standards of what is needed for health, efficiency, the nurture of children, and for participating in social and community activities—a level of living described as modest but adequate.

The modest but adequate level of living described by this budget standard is neither a minimum maintenance nor a luxury level. The budget does not show how an average family actually spends its money; neither does it show how a family should spend its money. Rather, it is an estimate of the total cost of a representative list of goods and services considered necessary by 4-person city families of the budget type to maintain a level of adequate living according to standards prevailing in large cities of the United States in recent years.

SAN FRANCISCO BAY AREA

In the bay area of San Francisco, figures are available, as provided by the Heller Committee for Research in Social Economics of the University of California, for the budget for a salaried worker and wage earner family. This budget, which is a more appropriate measure for this area, shows the following:

HELLER BUDGETS FOR SALARIED WORKER AND WAGE EARNER, SAN FRANCISCO DEFINITIONS AND AMOUNTS, SEPTEMBER 1960

THE BUDGET DEFINED

The Heller committee budgets are an attempt to measure the cost of maintaining the commonly accepted standards of living

of families in two different occupational groups. The difficulty in defining this concept precisely, so that there can be no doubt as to what should or should not be included in the budgets, has been pointed out many times. There is, however, general agreement that the budget items should be determined by conventional and social as well as by biological needs. The Heller committee has attempted to describe the "commonly accepted" standard of living as the sum of those goods and services that public opinion currently recognizes as necessary to health and reasonably comfortable living. The term "necessary" as used here includes far more than a minimum of physical needs. It represents what men commonly expect to enjoy, what "is urgently desired and striven for, special gratification attending substantial success and substantial failure yielding bitter frustration."

Cost of budget for a family of 4, September 1960

Salaried worker, homeowner	$9,816
Wage earner, homeowner	6,892
Wage earner, home renter	6,488

HOUSING COSTS

For this same area I have obtained some very significant figures on housing costs which indicate the range of the middle-income families whose special housing needs this bill will, in part, meet:

First. Public housing: The maximum net family incomes for a family of four qualifying for public housing in San Francisco cannot exceed $4,200.

Second. Private housing: Private housing, for sale or rent, in the bay area comes on the market at the following approximate levels, (a) sale: Under FHA eligibility standards, the net family income required for the purchase of medium priced dwellings in San Francisco after 10 percent down and a 25-year mortgage at 6 percent is $8,500; (b) rent: Although rental data is less accurate, the lowest rentals announced for apartments to be built in San Francisco redevelopment areas are $165 per month for 2 bedrooms, and $175 for 3 bedrooms. Based on FHA eligibility standards a family must have minimum net incomes of $7,900 and $8,500 annually to be eligible for such housing.

It is therefore clear that in this particular area, middle and moderate income families will fall within the wide range of $4,200 and $8,500. Any family falling within this spread must of necessity qualify for the middle and moderate income housing to be provided by this bill. Unless the qualifications are so drawn to encompass both ends of this group, the intent of Congress will surely be frustrated.

CONCLUSION

I believe that we are, in the moderate income housing provisions of the 1961 bill, meeting to some degree the need of the types of people I have been talking about.

It is essential that the middle-income bracket eligible to qualify for the new program be carefully scrutinized to provide for that group it is intended to serve. The gap may well be a lot broader than now believed.

A typical example is the nonprofit, cooperative housing project, jointly sponsored by the International Longshoremen's and Warehousemen's Union and the employer group, the Pacific Maritime Association. This cooperative project is proposed to build three-story, garden-style apartments for moderate incomes. If the gap between public housing and private is not carefully surveyed, this most eligible-type project may be jeopardized.

I hope that in light of the program that the HHFA will carefully consider regional differences and the extent of the gap which exists for the middle-income family.

Mr. Chairman, I take this time to direct an inquiry to the chairman of the subcommittee, the gentleman from Alabama [Mr. RAINS] on the important point relating to incomes and what would be regarded as a "middle income." Some areas are designated as high-cost-of-living areas and others as low-cost-of-living areas. There was considerable discussion in the committee and elsewhere in regard to this subject of what constitutes middle income, and I believe there should be some clarification in the RECORD as it relates to section 103 of the bill amending section 221.

Mr. RAINS. I think that it varies by sections, as the gentleman so well stated. But, on the basis generally accepted, it is from $4,000 to $6,500 as the average of the so-called modest income.

Mr. CLEM MILLER. Does the gentleman feel that in certain sections of the country, where evidence may be present of high costs, that it might vary from these limits?

Mr. RAINS. The committee bill recognizes that fact, because there is a difference, as the gentleman knows, in the amount of the two. The house could cost up to $15,000 in the high-cost area and in the low-cost area, $11,000. I certainly agree to that.

Mr. CLEM MILLER. In a study of the San Francisco region we learn that the median worker's income was in the vicinity of $6,500, yet private housing is not available for incomes of that level.

Mr. RAINS. I can see absolutely no reason as to why, the place where incomes are on the average higher, they could not participate, because there is no Government participation other than in the insurance.

Mr. DERWINSKI. Mr. Chairman, may I first direct an inquiry to the gentleman from Alabama?

In the amendment that is now before the House do you make any changes in the definition or figures applying to high-cost areas? May I ask if in this amendment before the House there is any change in the definition or description of what is a moderate- or low-income family?

Mr. RAINS. None whatever. That language is the same.

Mr. DERWINSKI. Then the changes, basically, are the 35-year loan at 3 percent, plus the closing costs as downpayment?

Mr. RAINS. That is correct.

Mr. DERWINSKI. And the amendment is restricted to single-family units?

Mr. RAINS. That is correct. It does not apply to two-, three-, and four-family units. That is the amendment exactly.

Mr. DERWINSKI. Mr. Chairman, I rise in favor of the amendment. However, in supporting this amendment and one other substantially good amendment which the gentleman from Alabama [Mr. RAINS] will offer at another point in the bill, we should not be deluded into thinking that we have perfected the bill and produced a good bill from what was previously a bad bill.

As I understand the gentleman from Alabama, the reason we have this constructive amendment is because the portion of the bill as written aroused so much opposition that it could not be defended.

At another point, as I have indicated, we are to be offered another amendment by the gentleman for the very same reason—the bill in that portion has drawn too much heat. But this does not detract from the fact that we have basically an extremely costly, cumbersome, questionable, unworkable bill that might best be described as a legislative monstrosity and later will be described to you as an administrative monstrosity.

I would like to point out in the years to come when we as Members of Congress are approached by our constituents complaining about the administrative interpretation of this housing bill, the only answer we could give is to throw up our hands and say we will not be able to adjust problems with the new housing bill in Congress until 1965. For the next 4 years you are going to be at the mercy of the administration and the bureaucrats administrating this program. Therefore, despite this sound amendment the gentleman from Alabama has submitted to you, basically this is an unsound bill and all we are doing is taking a little bit of bad from a completely impractical, unsound proposal. Even though I rise to support this amendment I remind you in the best interest of the taxpayers, the best interest of good, solid, substantial housing development across the country, we should still defeat this bill and accept the McDonough amendment which will be offered in the form of a motion to recommit, and then we will still write a good housing bill here today.

Mr. HIESTAND. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HIESTAND of California, to the amendment offered by Mr. RAINS of Alabama, for the pending amendment to H.R. 6028:

In paragraph (10) of the proposed section 101(a) (appearing on page 8 of the substitute), strike out "35 years from such date in any other case" and insert "30 years from such date in any other case."

Mr. HIESTAND. Mr. Chairman, this is a very simple amendment and explains itself. It is introduced to preserve the veterans' preference thinking in this whole bill.

Some years ago, when I was a member of the Committee on Banking and Currency the proposition first came up for a no-downpayment provision. There was violent objection, because that would run into competition with veterans' loans.

It seems to me it would make sense to make this change. The very eloquent gentleman from Alabama [Mr. RAINS], with his amendment, would improve the

bill; if his amendment is adopted, there is no doubt it will improve the bill. I do think, however, my amendment would improve it further. I think it is our duty to do all we can to improve the bill. I think the amendment is a very simple one, easily understood, and I ask a favorable vote upon it.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman.

Mr. MULTER. All the gentleman's amendment does is to change the 35-year provision as contained in the Rains amendment to 30 years; is that correct?

Mr. HIESTAND. That is correct.

Mr. MULTER. Actually, it does not touch any of the veterans' preferences?

Mr. HIESTAND. No, but it would make it more parallel with the veterans' preferences.

Mr. MULTER. What the gentleman is really seeking to do is to modify the 35-year mortgage plan under the Rains amendment to 30 years.

Mr. HIESTAND. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HIESTAND] to the amendment offered by the gentleman from Alabama [Mr. RAINS].

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 122, noes 133.

Mr. BYRNES of Wisconsin. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MCDONOUGH and Mr. RAINS.

The Committee again divided, and the tellers reported that there were—ayes 156, noes 171.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

Mr. MCDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCDONOUGH: On page 60, lines 7 through 9, strike out "a public body or agency other than a public housing agency."

Mr. RAINS. Mr. Chairman, I make a point of order against the amendment on the ground that we have already passed the section. This is part of title I.

The CHAIRMAN. That section has been stricken, and an amendment would be out of order.

The amendment was offered to a section which was stricken by the amendment offered by the gentleman from Alabama, which has now been adopted by the Committee. The amendment, therefore, is out of order.

Mr. MCDONOUGH. The action just taken by the Committee was on an amendment to the amendment.

The CHAIRMAN. Section 101 in its entirety was stricken and new language adopted. The gentleman from California offers an amendment to language appearing on page 60 of the printed version of the bill which is no longer the language of the bill.

Mr. MCDONOUGH. Does the language which was inserted as the result of the amendment include the language that was previously in the bill in reference to public bodies?

The CHAIRMAN. That is not within the knowledge of the Chair. The Chair does not know.

Mr. MCDONOUGH. If the Chair please, if it is, I think my amendment would be in order.

The CHAIRMAN. The Chair rules that an amendment offered to insert language which has now been changed is out of order. If the gentleman has an amendment to offer to the amendment offered by the gentleman from Alabama, that also is out of order.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. The substantive effect, as I understand, of the amendment offered by the gentleman from Alabama [Mr. RAINS], was to reduce the 40 years to 35 years and provide for a downpayment, and then to reduce to a single unit from four units. Did it go beyond that and restate all the rest of title I in such fashion as that now any further amendment to title I is precluded? I must say if that is the result it is something of a shock to those of us who had other amendments to offer.

The CHAIRMAN. The Chair regrets that it comes as a shock. The gentleman from Alabama moved to substitute the entire language in section 101, and the House has now done just that, so amendments thereto are out of order.

Mr. MCDONOUGH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MCDONOUGH. If the amendment offered by the gentleman from Alabama was to amend section 101 of the bill——

The CHAIRMAN. The gentleman from Alabama offered an amendment to section 101 of the bill, that struck out all of section 101 and inserted new language which has now been adopted by the Committee.

Mr. DERWINSKI. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DERWINSKI. If we have adopted a complete substitute are not amendments in order to any language in the substitute?

The CHAIRMAN. Not at this time. They were in order when the gentleman from California offered his amendment reducing the time from 35 years to 30 years, but there were no further amendments. The amendment offered by the gentleman from Alabama has now been adopted.

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

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

There was no objection.

Mr. LINDSAY. Mr. Chairman, I regret that the Chair saw fit to rule out of order further amendments to section 101. I had sent to the desk my amendment to section 101(a), which was in the nature of a substitute for the administration's 40-year, no-downpayment mortgage provision. In my judgment it was a far preferable proposal for supplying middle-income housing to our great urban and suburban centers.

Possibly I would be free at a later time during this debate to offer this amendment as an addition to the entire bill. I shall not do so, however, as I do not wish to add to the cost of the bill, in view of the fact that title I, as amended, remains in the bill. I think that title I, as amended, or my proposal is necessary. I prefer my proposal. I do not think, however, that we can have both.

Mr. Chairman, I am one of those who feels that the Federal Government has a very positive role to play in the field of housing—particularly as the subject affects the exploding metropolis. Let us remember that 70 percent of our population live in the great urban and suburban centers of our country. This is a mobile population, which is all the more reason why the Federal Government has an important role. I agree that the investment that we make in our cities in terms of their planned growth—the elimination of blight, the building of housing that people can reasonably afford, the promotion of parks and playgrounds—is an investment for the benefit of all Americans, whether or not they live in cities.

The great need for middle-income housing is in the urban and suburban centers of the United States. Federal legislation should be pinpointed to need. My proposal, which I had planned to offer as a substitute, would have met this specific need. It is a program that has been tried and found to work. It has been proven. A week ago I wrote a letter to each Member of the House describing the proposal, and in yesterday's RECORD I inserted a full and complete description of the proposal. I urge every Member who may be interested to read the RECORD on this subject on pages 10867 to 10876, for I shall press for the program in the future.

The amendment would have created a Federal Limited Profit Mortgage Corporation which would make loans secured by housing projects for moderate-income families or for elderly persons. The Corporation would be started with a $100 million stock subscription by the Treasury and would obtain its funds by borrowing in the private market.

The loans would be made for periods of up to 50 years at interest rates equivalent to the rates at which tax-exempt Treasury bonds are sold, but not to exceed 4 percent. These loans could not exceed 90 percent of development cost, and the Corporation would charge one-half of 1 percent in addition to the cost of money to the Corporation.

Borrowers would be limited to a return of 6 percent, and rents and carrying charges would be regulated to insure the production of housing to rent at levels within the means of elderly persons and moderate-income families.

Families of moderate income are defined to mean families, or individuals,

whose incomes preclude them from purchasing or renting conventionally financed new housing with total monthly housing expenditures of 20 percent of their normal stable income, as defined by the Federal Housing Administration. Elderly persons are defined to mean a person 60 years of age or over, or a family, the head of which or his spouse is 60 years of age or over.

Yesterday my distinguished colleague, the gentleman from New York [Mr. MULTER] made the honest statement that the administration's proposal for moderate-income families is "experimental," and, to use his words:

"If it doesn't work we will backtrack and find a new way." The proposal that I would have offered by an amendment, had it been in order, is not experimental. It has been proven. It is modeled on a program developed in my own State of New York, called the Mitchell-Lama program, under which there have been financed some 30,000 housing units and approximately $450 million has been raised precisely in the fashion described in my amendment. This has resulted in cooperative apartments, for example, under which there is individual ownership. There is no reason why the proposal, beginning with unitary sponsorship, could not be made to work in terms of individual homes in the suburban areas. However, the difference in practical effect is that there is mutuality of risk under my proposal. Under the 40-year program of the administration, each project would stand on its own feet, which weakens the entire picture.

The middle-income family is, in a sense, the backbone of any community. We have recognized that New York, following a pattern common to many American cities, has lost more than 900,000 middle-income families during the past decade. Of course, a like number came into the city, but their income level was much lower. This significant change bears heavily upon the city's need to provide special services and facilities, and of course affects our general economy. It is commonly stated that New York is becoming a city of the very rich and the very poor. While this is only partially true, there is good reason to take the necessary steps to insure that the middle-income resident is not taken for granted at a time when construction costs and a tight housing market have placed him in a vice which we can and must remove.

The proposal which I sponsor and which I would prefer to title I would make available, on a national scale, and for the first time, Federal support for the kinds of programs that New York State and New York City have proved to be successful. On the basis of the numbers of units completed and planned in New York it is evident that there has been little difficulty in developing the kind of responsible and enthusiastic private sponsorship for the kind of moderate-rental and cooperative housing that is so desperately needed.

New York City is not atypical. A federally backed program along these lines would bring new housing hope to America's forgotten majority—its middle-income families. Our cities need to retain their middle-income families. This proposal would have given them the best hope.

Mr. Chairman, I have my disagreements with the Rains bill—the committee bill. I have just talked at length about one of them—my preference for the creation of a Federal Limited Profit Mortgage Corporation over the 35-year mortgage provision. However, the deficiencies with the substitute bill are even greater. In my judgment, a single year does not permit good planning. I have talked with responsible housing people in my district—not, incidentally, of this administration or indeed of the administration's party—and I am persuaded that urban renewal cannot be intelligently planned or programed on a year-to-year basis.

Second. There must be some provision for public housing. In my view, 100,000 new units as contained in the administration's bill is too high. But there clearly is need for a new authorization to the extent of not more than 50,000. I would settle for 25,000. But I cannot settle for nothing.

Third. I would have hoped that my proposal for a Federal Limited Profit Mortgage Corporation would have been made a part of the substitute bill. This offers a productive, effective program for one that is less effective. The substitute in this area would not fill the gap.

For these reasons, Mr. Chairman, I must support the committee bill over the substitute.

The CHAIRMAN. The Clerk will read.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this situation is getting into what I expected, a total state of frustration and confusion, and I mean that on the other side of the aisle as well as on our side of the aisle.

The amendment I have proposed has to do with the elimination of a public body as a public renting authority. It has nothing to do with the 40-year or 35-year, no-downpayment proposition. If the amendment that the gentleman from Alabama presented to the House did have to do with the elimination of a public body or permitting a public body to control rents on Government-owned units, it was not thoroughly understood insofar as its passage was concerned, because there was no reference to a public body controlling rental units of a subsidized rental house. That is what I am talking about here.

As a matter of fact, the Subcommittee on Housing amended that section of the bill with the consent of the gentleman from Alabama to remove public housing authorities as an agency to control these low-rent subsidized housing units provided in the bill. The bill provides that $750 million of FNMA money is in there for the purpose of subsidizing these mortgages. I want to say we should not permit other public bodies in addition to the Public Housing Authority to become the mortgagors on these kinds of units because you are setting up a Government-controlled rental authority in every city of the Nation if you do it.

Mr. Chairman, I am disturbed that my amendment has been ruled out of order, because there was no reference by the gentleman from Alabama to that section of the bill that it had to do with public bodies having control of subsidized units.

The CHAIRMAN. The Chairman has already ruled on the point of order.

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

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

Mr. HALLECK. Mr. Chairman, I said a moment ago that I was rather shocked at the situation, but maybe no one should be taken by surprise here today. This is a bill reported by a committee. The normal procedure would have been for the gentleman from Alabama to offer the amendment having specific language that dealt with the change. As I understand it, now—I was not conscious of it and I doubt if anyone on our side was—he rewrote the whole section with the changes that were involved in the amendment that he really wanted to accomplish. After that amendment was adopted all other amendments are shut off.

It is according to the Rules of the House, there is no question about that, and the Chairman has so ruled.

I may say to the gentleman from California that under the procedure the amendment is not in order. The only thing for us to do now is to go to the consideration of title II and further consideration of the bill. When the time comes we will work out something in the way of a motion to recommit.

Mr. McDONOUGH. The fact my amendment has been held not in order is not a desire on the part of the House not to consider an amendment of this kind. The committee itself amended this section of the bill removing public housing bodies.

I propose further that public bodies be removed as mortgagors and that, as I say, was not referred to by the gentleman from Alabama.

Mr. RAINS. Mr. Chairman, if the gentleman will yield, here are the exact words. I said: "My amendment, Mr. Chairman, is a redraft of section 101. It incorporates most of the present section 101 and makes only the following changes."

Mr. McDONOUGH. All right. What are the following changes?

Mr. RAINS. The 3-percent downpayment and the others.

Mr. McDONOUGH. But you did not refer to the other section.

Mr. RAINS. Of course not. I was not amending that section. I was incorporating it because it was part of the whole section.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair has just ruled that all amendments to section 101 are out of order.

Mr. LINDSAY. No point of order has been raised against this amendment.

The CHAIRMAN. The Chair has raised the point, and the amendment is out of order.

The Clerk will read.

The Clerk read as follows:

TITLE II—HOUSING FOR ELDERLY PERSONS AND LOW INCOME FAMILIES

Housing for the elderly

Direct Loans

SEC. 201. (a) Section 202 of the Housing Act of 1959 is amended by—

(1) inserting in subsection (a)(1) after the words "private nonprofit corporations" the following: "or consumer cooperatives";

(2) striking out in subsection(a)(2) the words "for the provision of rental housing" and inserting in lieu thereof the following: "or to any consumer cooperative for the provision of rental or cooperative housing";

(3) striking out in subsection (a)(2) "unless the corporation" and inserting in lieu thereof "unless the applicant";

(4) striking out in subsection (a)(3) "A loan to a corporation under this section" and inserting in lieu thereof "A loan under this section"; and

(5) striking out in subsection (c)(3) "corporation undertaking" and inserting in lieu thereof "corporation or consumer cooperative undertaking".

(b) Section 202(a)(3) of such Act is amended by striking out "98 per centum of".

(c) Section 202(a)(4) of such Act is amended by striking out "$50,000,000" and inserting in lieu thereof "$150,000,000", and by striking out the second sentence.

(d) Section 202(d)(4) of such Act is amended by striking out "sixty-two years of age or over" each place it appears and inserting in lieu thereof "sixty years of age or over".

(e) Section 202 of such Act is further amended by adding at the end thereof the following new subsection:

"(e) Nothing in this section or in regulations promulgated under this section shall prevent a corporation or consumer cooperative from obtaining a loan under this section for the provision of housing and related facilities for elderly families and elderly persons, notwithstanding the fact that such corporation or cooperative has theretofore obtained a commitment from the Federal Housing Administration for mortgage insurance under section 231 of the National Housing Act with respect to the housing involved, if (1) such corporation or cooperative is otherwise eligible for such loan under this section, (2) such commitment was obtained prior to the date of enactment of the Housing Act of 1961, and (3) the Administrator determines that the financing of such housing through a loan under this section rather than through mortgage insurance under such section 231 is necessary or desirable in order to avoid hardship for the elderly families and elderly persons who are the prospective tenants of such housing."

Low-rent public housing

Eligibility Requirement for Disabled Persons

SEC. 202. Section 2 of the United States Housing Act of 1937 is amended by striking out the words "has attained the age of fifty and" in the second and third sentences of paragraph (2).

Additional Subsidy for Elderly Tenants

SEC. 203. Section 10(a) of the United States Housing Act of 1937 is amended by inserting the following proviso before the period at the end of the third sentence thereof: ": *Provided*, That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed $120 per annum per dwelling unit occupied by an elderly family on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to the elderly family at a rental it could afford and to operate the project on a solvent basis".

Mr. RAINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. McCORMACK] having assumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6028) 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, had come to no resolution thereon.

COMMITTEE TO ESCORT HIS EXCELLENCY HAYATO IKEDA

The SPEAKER pro tempore. The Chair appoints the following committee to escort our distinguished guest, the Prime Minister of Japan, into the House: The gentleman from Oklahoma, Mr. ALBERT; the gentleman from Pennsylvania, Mr. MORGAN; the gentleman from Hawaii, Mr. INOUYE; the gentleman from Indiana, Mr. HALLECK; the gentleman from Illinois, Mr. CHIPERFIELD; and the gentleman from Illinois, Mr. ARENDS.

The House will stand in recess subject to the call of the Chair.

Accordingly (at 3 o'clock and 12 minutes p.m.), the House stood in recess subject to the call of the Chair.

During the recess the following occurred:

His Excellency Hayato Ikeda, Prime Minister of Japan, entered the Hall of the House of Representatives at 3 o'clock and 22 minutes p.m., and the Prime Minister of Japan was escorted to the Speaker's rostrum by the committee appointed for that purpose.

The SPEAKER pro tempore [Mr. McCORMACK]. Members of the House of Representatives, I have the great pleasure, the high privilege, and the distinguished honor of presenting to you His Excellency the Prime Minister of Japan, whom we are so glad to welcome here today. Mr. Prime Minister. (Applause, the Members rising.)

(The Prime Minister of Japan addressed the House in Japanese. A translation of his speech follows:)

The PRIME MINISTER of Japan. Mr. Speaker, Members of the House of Representatives, it is with a profound sense of honor and pleasure that I come today to this great seat of democratic government to receive your warm welcome and to address a few words in behalf of the Government and people of Japan.

These are extraordinary times in which we live—times which demand extraordinary exertions by all freemen. The tensions of the cold war may rise or fall but the basic conflict goes on. Whatever may be the climate today or the climate tomorrow, there can be no change in our unswerving devotion to the cause of peace with justice and freedom. [Applause.]

Now in this unstable restless world, what is Japan doing? What can she do in the free world's endeavors for peace?

The ideal of Japan is to build a strong and stable nation dedicated to the principles of democracy. Respect for freedom and the basic human rights, and for the dignity of man has been deeply implanted in the hearts of the Japanese people. It may be a long road that we in Japan must yet travel before we learn truly to live up to these principles, but let me assure you that we are on the march. [Applause.]

From the destruction and privation of war, the people of Japan—industrious, enterprising and inspired by timely American help—have rebuilt a new and vigorous economy. In the last 10 years we have maintained, under our free enterprise system, an economic growth rate rivaled by no other country in our world. We now propose to double our gross national product in 10 years or even less and thereby raise our living standards by maintaining an average annual rate of growth of 7.2 percent. This program is well within our capabilities and I am fully confident that we will achieve our goal.

We are making these efforts not only to build a free and healthy society but to increase our capacity to play a more positive and purposeful role in the international community and thereby contribute to the larger task of insuring world peace and human progress. [Applause.]

Since the war, a number of Japanese political leaders, including myself, have come to this country to ask for help in the rehabilitation of our nation's economy. I want to avail myself of this opportunity to express our profound thanks for the aid we have received. This time, I am glad to say, and perhaps you are glad to know, I have not come to ask for aid. I have come to tell you with confidence that with the growth of our economy Japan at last has reached a stage where she can contribute, even though modestly, to the joint efforts of the free world to help hasten social and economic development and raise living standards in the newly developing nations which hold the key to world peace and stability. [Applause.]

I have had a series of friendly talks with President Kennedy and other leaders of your Government, and I believe that by these talks we have been able to deepen our mutual understanding and to strengthen our partnership.

In closing, I wish to express to you and through you to the people of America my sincere good wishes for the prosperity of this great democracy. I also wish to pay my high respects to President Kennedy for his devoted efforts for peace under justice and freedom, and to assure you that in these efforts we will unsparingly cooperate. [Applause, the Members rising.]

At 3 o'clock and 36 minutes p.m., the Prime Minister of Japan and his party retired from the Hall of the House of Representatives.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. McCORMACK) at 3 o'clock and 50 minutes p.m.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess of the House may be printed in the RECORD.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 3283. An act to revise the boundaries and to change the name of Fort Vancouver National Monument, in the State of Washington, and for other purposes;

H.R. 5475. An act to transfer a section of Blue Ridge Parkway to the Shenandoah National Park, in the State of Virginia, and for other purposes;

H.R. 5760. An act to revise the boundaries of the Scotts Bluff National Monument, Nebr., and for other purposes;

H.R. 5765. An act to authorize the purchase and exchange of land and interests therein on the Blue Ridge and Natchez Trace Parkways;

H.R. 6422. An act to add federally owned lands to, and exclude federally owned lands from, the Cedar Breaks National Monument, Utah, and for other purposes;

H.R. 7446. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; and

H.J. Res. 384. Joint resolution providing for acceptance by the United States of America of the Agreement for the Establishment of the Caribbean Organization signed by the Governments of the Republic of France, the Kingdom of the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

The message also announced that the Vice President has appointed Mr. JOHNSTON and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the Report of the Archivist of the United States No. 61–10.

FEDERAL-AID HIGHWAY ACT OF 1961—CONFERENCE REPORT

Mr. FALLON submitted a conference report and statement on the bill (H.R. 6713) to amend certain laws relating to Federal-aid highways, to make certain adjustments in the Federal-aid highway program, and for other purposes.

HOUSING ACT OF 1961

Mr. RAINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6028) 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.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 6028, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose, the Clerk had read through section 203 of the committee substitute amendment ending on line 2, page 95.

Mr. McDONOUGH. Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. TABER. I object.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DWELLING UNIT AUTHORIZATION

SEC. 204. (a) Section 10(e) of the United States Housing Act of 1937 is amended by striking out the first three sentences and inserting in lieu thereof the following: "The Authority is authorized to enter into contracts for annual contributions aggregating not more than $336,000,000 per annum, but any such contracts for additional units for any one State shall not, after the date of enactment of the Housing Act of 1961, be entered into for more than 15 per centum of the aggregate amount not already guaranteed under contracts for annual contributions on such date: *Provided*, That no such new contract for additional units shall be entered into after the date of enactment of the Housing Act of 1961 except with respect to low-rent housing for a locality respecting which the Administrator has made the determination and certification relating to a workable program as prescribed in section 101(c) of the Housing Act of 1949, and the Authority shall enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into."

(b) Section 10(i) of such Act is repealed; and section 15(10) of such Act is redesignated as section 10(i) and transferred (as so redesignated) to the place heretofore occupied by the section so repealed.

(c) Section 21(d) of such Act is repealed.

Mr. HERLONG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERLONG: On page 95, strike out all of line 3 and all that follows down through page 96, line 5.

Mr. HERLONG. Mr. Chairman, this amendment, as you know, eliminates from this bill the additional authorization for more public housing units. There seems to be some question as to how many are actually authorized in this bill. In the debate in the other body they said 75,000 to 80,000. The green sheet prepared by the committee in explanation of this bill says 100,000 units. On page 118 of the printed hearings the House and Home Finance Administrator said 115,615. I do not suppose it makes any particular difference which figure is correct, but it may be of some significance that even the proponents cannot agree as to what is provided in the bill.

Permit me to call your attention to a few facts in the brief time that I have. There are 470,000 public housing units now under actual management. There is authorization now on the books for 127,000 more that are not affected by this amendment or this bill. These are in the pipeline and will be available for occupancy by low-income families in the next few years, regardless of whether this bill is passed or not. Public housing today is costing an admitted Federal subsidy of $160 million a year. These additional, already authorized and in-the-pipeline units, will increase this subsidy to over $257 million a year. This subsidy continues for 40 years. If the present provision for additional public housing is passed it will cost an additional $78 million a year for 40 years, or a total of $3.1 billion.

Now if something is really necessary, we in America take the position that we don't care what it costs—we will get it—but does public housing at this time come under the head of what is really necessary? I hope you will all bear in mind when you vote on this amendment and on this bill that on next Monday you are going to be asked to vote to increase the debt ceiling to $298 billion. This debt ceiling bill passed out of the Ways and Means Committee a few days ago and frankly just about the only question in connection with it in the committee was: Is it big enough? Is it big enough to take care of these spending programs that are really not of an emergency nature with which we are going to be confronted during the rest of this session? I submit that, even if you favor public housing, there is ample public housing already authorized prior to this bill so that it is not a must at this particular time even to those who are fearful of what might happen to the urban renewal program. Further, my information is that even some of the most ardent advocates of public housing in the past have come to realize that what they expected this program to do it has not done.

Mr. Charles Abrams, of MIT, a former State housing official and United Nations adviser on housing, in collaboration with Mr. Morton Schussheim, of the New York State Rent Commission, prepared a report from which quotations were made a few days ago in the CONGRESSIONAL RECORD. Mr. Abrams contended that public housing, in which rents are subsidized by the Federal Government, is not the answer to better housing for low and moderate income families.

On page 215 of the printed hearings there are quotations from Mr. Joe McMurray, chairman of President Kennedy's task force on housing. In a special report to the homebuilders last January Mr. McMurray said, and I quote:

In general, it may be said that this program, begun in depression years of the 1930's, no longer offers an adequate solution

in view of changed economic conditions and the dynamic changes taking place in our cities.

Subsequently he referred to the program as "an inadequate, moribund public housing program, largely tailored to the needs and standards of a past era, and some incidental benefits for special groups."

Mr. Chairman, these are the words of the President's task force chairman, they are not my words. I quote him further:

Here it need only be said that there is almost unanimous agreement that the program is not doing the job which it set out to do in 1937. Significantly, this view is shared by the dedicated and able men who pioneered the program and supported it through its turbulent history.

Of course the chairman of this task force went ahead and recommended a limited extension of the program which he described as moribund, or on its last legs. Why he recommended this, I do not know.

Mr. Chairman, here we have an example where we have been giving the patient a very expensive treatment through the years, and he is, according to the doctors, near death. The treatment, therefore, is not curing the patient, it is making him worse, and yet in this bill we are asked to give another $3.1 billion dose of the same medicine that is making him worse now.

Mr. Chairman, here is a chance for the Congress to save at least $3.1 billion and not hurt anybody.

Mr. Chairman, I hope my amendment will be agreed to.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida [Mr. HERLONG].

Mr. Chairman, I wish I could be as positive in my remarks as the gentleman from Florida seems to be of his. The gentleman from Florida says that the medicine we are giving the patient is not doing him any good, and he recommends, I assume, by this amendment that the thing to do is to kill the patient. Instead of giving him any medicine, just finish him off. That is what the amendment would do.

I will say to the gentleman from Florida that he made a very good statement. But what would you do? Would you just cut it off and let these people who are being uprooted by Government action not be taken care of, these people who are not able to buy a decent home for themselves?

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

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

Mr. HERLONG. We have 127,000 units already authorized. That will take care of the program for at least a year or two. The gentleman knows that. Then we can see at that time what we should do.

Mr. RAINS. But the gentleman is in error. These units are already committed. Every single unit is or soon will be committed. The PHA reports that by June 30 every last available unit will be all signed up.

As a matter of fact, I had something to do with the report which the gentleman read, and out of context. I long to see the day when we will be able, as my good friend from Texas [Mr. THOMAS] said, do something for these people by some other method. And it will be subsidized, no matter what we do. You cannot have a man who is in the extreme low group and have a house for him to live in today under private enterprise. I have asked people all over the country, I have asked people in your State, Pensacola for instance, "You give me the answer and we will do it. Can you build a house for a man who makes $2,000 a year with 5 kids, can you build a house for him under the private enterprise method at a profit?" Of course not.

What can we do then? Until we can get such a program as I hope will come about and as we have made a step toward in this very bill, we cannot afford to continue the urban renewal program, the highway program, through the poor sections of the cities of America without giving them some place to go. We have to provide for these poor people.

I said in debate on this bill that I wish that every family could own its own home, but there are people in this country who simply cannot afford decent housing without help. One man may be able to pay for good housing without any assistance, but through some quirk of fate we also have these poor people, and the good Lord says that we will have them in the future. This is not new public housing. It is the last increment of the public housing authorized by the Congress in 1949. We have made a start in this very bill to arrive at a program to help lower income families in other ways. Later on, I am convinced, it may take subsidized interest rates, or it may take the same type of thing we have done in welfare cases, in order to get some kind of housing for these people. The gentleman ought to vote for it if he is against public housing. But, until that day comes, we must have at least a reasonable amount of low rent housing over the next few years to take care of the people that we, by the laws we enact, uproot in these cities and for our older citizens and other low-income families. And I am sincere and I know the gentleman is. I thought he made a very good statement, and I agree that this is a problem that we must continue to study. But, this is certainly not the time, under the present circumstances, with all of the present units committed, to cut out of this bill the one thing that will help our lowest income families.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment would strike 100,000 units which are provided in the committee bill, and it would strike the largest obligation that we will assume in the whole bill in the way of grants if the 100,000 units are implemented. Now, the only reason for the 40-year, no-downpayment section in the bill was to do away with public housing.

Mr. YATES. Mr. Chairman, will the gentleman yield on that point?

Mr. McDONOUGH. I yield.

Mr. YATES. The 40-year program could not do away with public housing, because there is still need in the cities of the country to house people who live in the cities, and you cannot build houses in the cities themselves because the land is too expensive.

Mr. McDONOUGH. I know the land in the cities is expensive, and it is difficult for that reason. But, the chairman of the committee contends this is the last increment of the last authorization in conection with public housing. Now, this country got along for a long, long time before we had subsidized governmental public housing. If we are going to say that 100,000 units is going to take care of all of the people in the low-rent classification in the cities for an indefinite period, what are we going to do with them from then on if you continue to provide this kind of housing for this kind of people? And, I do not say that all of them are in that class, but you are demoralizing and subordinating these people to a patronizing position of the Government. We have had experience in some of the public housing units not controlled by the Federal Government but controlled, for instance, by the State of Massachusetts, where the firemen and policemen were housed in public housing units, and there was a referendum on the ballot for an increase in pay which would disqualify them for occupancy, and they argued against it, because with the increased pay they were not entitled to occupancy. Now, this 100,000 units we are talking about is one-sixth as many units as we have had over the previous 24 years. It certainly is going to take care of all of the people, so-called people, that we have to take care of in this category. The chairman of the committee himself took the 40-year, no-downpayment out of the bill and increased it to 3 percent and made it 35 years, and he did make reference to another form of public housing where we got the subsidized rate of interest for multiple dwellings for low rent in cities under long-term mortgages. This is another form of public housing which public bodies can sponsor. It was the purpose of my last attempt on this floor to amend that so that public bodies could not sponsor that kind of mortgage.

But if we are going to take care of all these people we are going to need more than 100,000 units. We had better go back to the period when we did not have any public housing units at all and give these people something to do for themselves, to stand up on their own responsibility. The amount that we will be assuming if these 100,000 units are approved is $3,146 million in grants or annual contributions over a 40-year period. That is the largest amount of grants in the bill. I urge the adoption of the amendment because I think we can get along without these units.

Mr. YATES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems that this amendment is offered every time a housing bill comes before the House. It is interesting that the amendment is offered ordinarily by one whose district does not contain any or many public housing units. I remember a few years

ago the amendment was offered by the gentleman from Texas [Mr. FISHER]. From what I have learned about Mr. FISHER's district, there are no public housing units in that area. Yet, he led the fight against the program. Similarly—and the gentleman from Florida may correct me if I am wrong—there are not many public housing units in his area. The gentleman comes from bright, sunny Florida and his slums are not as acute as those in the North. The need of help for slum dwellers is not nearly as critical. But he wants to deprive those who need sympathetic understanding of new housing problems from receiving help.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

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

Mr. HERLONG. Mr. Chairman, I tell the gentleman that there have been many attempts to get public housing in my district, but when I get through explaining to them what it is going to cost them, they do not ask for it.

Mr. YATES. Then the gentleman confirms what I said, that there are no public housing units in his district.

Mr. HERLONG. There are quite a few that were there before I got there.

Mr. YATES. I am sure that the gentleman went through his district like a blight.

The gentleman from California [Mr. MCDONOUGH] says that offering these housing units to the people who will live in them demoralizes them. Is it more demoralizing to a person who lives in a public housing project to live in a clean, sanitary home, than to live in a rotten slum? Is it more demoralizing to live with a group of his neighbors in clean surroundings where his children may play in a bright, clean, pleasant environment than to live in an area which was replaced by the public housing unit, where there was filth, dirt, spilled garbage, and rats? In my own district 12 years ago, at the time I was elected to the Congress for the first time, I went through the worst slums in the country—filth, garbage, decrepit housing, housing of the worst type, where several families were living in one room. The people there lived in despair and in misery. They raised their children in a dirty, disease-ridden area. Today in that area they have new public housing units. And I tell the gentleman those people are not more demoralized for living in those units than they were when they lived in the slums.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. McDONOUGH. In the first instance, the insanitary and unsafe conditions in which they lived before was the fault of the city in which they lived, because there was no enforcement. On the other hand, they were renting from private ownership and had the incentive to get out of it, which they do not have when they live in public housing units.

Mr. YATES. But, where were they to go?

Mr. McDONOUGH. Where does anybody go to improve himself?

Mr. YATES. Where can these people with limited incomes go, if they want to buy housing on the market today? I tell the gentleman that he does not appreciate the facts of life. He does not know what goes on in the big cities. The people who live in these projects are on the lowest rungs of the ladder and we have to take care of them.

Mr. Chairman, I agree completely with the gentleman from Alabama [Mr. RAINS] when he says that there are many Americans who have not been able to win the economic battle and gather sufficient material benefits to live well. This is an expensive program, there is no question about it. This is an expensive program. But the fact remains that this is not nearly as expensive as the cost would be in crime, in disease and all the other conditions of a slum area.

I say to the House that here we are considering a bill for all America, a bill to provide a decent place to live for all Americans. The statement is in the preamble to the Housing Act. If this amendment were to prevail we would do away with the lone opportunity to provide housing for the people who cannot now buy decent housing.

There is housing in this bill for those with money who can afford to buy housing. There are provisions in this bill which would help those who have money, who can get insurance and provide themselves with beautiful housing. This amendment shuts the door to hope to those with no funds. It condemns them to continued slum living.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

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

Mr. MULTER. I think the gentleman ought to point out, too, that those living in the slums do not move out until the slum is torn down and they are forced to move. The fact that we are helping these people to a better life is shown by the fact that at least one out of three people in public housing buy better housing as soon as their income permits them to get it.

Mr. YATES. The gentleman is exactly right.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, this program has been one of the greatest programs in connection with strengthening the family life of America. I know from experience as a young man what it is to live under substandard conditions. I have experienced it. I know from having lived under such actual conditions.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. YATES] may proceed for 5 additional minutes.

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

There was no objection.

Mr. McCORMACK. I can assure my colleague that this program has brought inestimable good to the communities that have entered into it. The first low-cost housing project in Boston was built in the district where I was born and brought up as a young man. I know what it is to live in a multiple three-family house, where they paid not more than $1.50 a week rent, and where the common facilities were down in the basement, the cellar, as we called it. Those are conditions that I know of. I know the great benefit this program has brought to people who live in the public housing projects that were built in part of the very area in which I played as a youngster in South Boston, in Boston, Mass.

All I can say is that I know of no program that has done more to bring hope to people, and they are Americans, they are human beings, and to strengthen family life. When we strengthen family life we strengthen our own Government and our own society, by this particular program. I can assure the gentleman I speak from actual experience as a young man, growing up under the very conditions this program has improved. I sincerely hope the program started in 1949 will be carried on as provided in this bill.

Mr. YATES. I thank the gentleman.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

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

Mr. MADDEN. I think something has been overlooked here today in regard to the housing situation and the people who are unable financially through no fault of their own to purchase adequate housing. Statistics show there are approximately 5 million persons out of work, but that is just a drop in the bucket compared to the working people and factory workers who are and have been for several years just working part time. A factory worker or an industrial worker who is working only part time has only money enough to support his family with food, shelter, and clothing. A part-time worker cannot have any money set aside to buy homes. When you add to the 5 million unemployed the several more millions who are working part time, it is a serious situation to provide homes for them. We have slums in my district, but there is no place for the unemployed or part-time workers that are living in these slums to live if their dilapidated dwellings are condemned.

I think everybody will agree, as I mentioned yesterday afternoon, that the Caterpillar Tractor Co. has a special organization on research, and they run these facts and findings in their ads. I wish everybody would read the statement by the Caterpillar Tractor Co. of Peoria, Ill., appearing in the Saturday Evening Post of this week, to the effect that 30 million people could be living in slums and substandard homes within the next 15 years unless something is done.

That is by 1975. Then it goes on and it says in this advertisement "by 1975 our population will increase by 55 million"—that is 15 years from now—"unless the pace of urban renewal slum clearance is increased, 30 million Americans will be living in slums."

Now, that comes not from any real estate organization and not from any political organization, it comes from a conservative, well-established business, the Caterpillar Tractor Co., that has investigated and made research on these problems. So I think that this Congress certainly would be negligent in our duty to millions of people not only this year, but in future years if we adopted an amendment like this.

Mr. YATES. I thank the gentleman.

Mr. Chairman, I just want to say in further reply to the gentleman from California who said that these people can go out and buy homes on the private regular market that they are doing that as soon as they can get a job that provides enough money to do so. They are going out and they are buying homes in the community when they can afford it. Many of them are doing so.

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it appears when we get into this annual debate about public housing, there is a tendency to take off on semiemotional tangents and not to discuss the facts.

So for those of you who may be interested in the facts, I would like to say to you to please take a look at the report of the Committee on Banking and Currency, page 55 of the minority views. There they tell you specifically the exact condition of the public housing units in the pipeline. Certainly, if we delete the public housing provisions from this bill, and then adopt our substitute in the motion to recommit for a 1-year program, if the pipeline shows signs of being exhausted, you can come in in 1962 and add more public housing. So that is no worry at the present time.

But here is the point we ought to consider. There is not any program that we have ever adopted which is all perfect—any more than it is a complete failure. Certainly, there are accomplishments and virtues as well as failures in the field of public housing. I think just to add units indiscriminately year after year without attempting to correct the abuses and problems in the existing administration of public housing, is not responsible legislating. The gentleman mentioned the city of Chicago and the development of public housing. He should also have mentioned that public housing has not eradicated slums and as a matter of fact, we can produce statistics to show that we have more slums today despite the public housing than we did when public housing was first developed.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman knows that public housing units have replaced many slums that existed previously.

Mr. DERWINSKI. Yes, but because of the inability of the local government to enforce their ordinances, slums continue to multiply despite this public housing. There has also been discussed the ability of residents of public housing units to go on and purchase homes which they would own in their own right. We have had a number of abuses throughout the country where residents in a public housing project have been permitted to live in these units although they had incomes far exceeding any limitations. In other words, these were not needy families, these were families with a substantial income.

Furthermore, we have statistics to show you that families with less income than the present occupants of public housing units are putting out substantial downpayments and buying their own homes. They do not need a Government subsidy; they have enough spirit and enough drive and enough initiative to save their own money and to purchase their own homes. All we are asking you to do is to remember that you have all the public housing you need at the present time and that you can come back in a year or two and add to the public housing units, if you so desire. This is not going to end public housing. It does not hurt any existing projects. It does not hurt any existing plans. All it does is to bring a little financial responsibility into this monstrous housing bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FARBSTEIN. Mr. Chairman, I rise in opposition to the pro forma amendment. The reason is that I could not sit by and listen to some statements that have been made here during the debate. The last gentleman said we had all the public housing we needed. Let me inform him that the local authorities of the city of New York have advised me that they have come to the end of their line, they have authorized all the public housing they had the right to authorize; that if nothing is done here today there will be no more public housing built in the city of New York. I assure you that we certainly need plenty of public housing in the city, especially with new roads and highways that are being built displacing people, as has been suggested by the chairman of the subcommittee.

You have talked about abuses; let me assure you, Mr. Chairman, that in the city of New York, just as soon as the earnings of a family go beyond the maximum permitted under the law they are compelled to move; and it is only those families that are in the lowest income bracket that are permitted to live in these public housing units.

It seemed peculiar to me to hear one of the Members say we have gotten along for quite a long while without subsidized housing. That is true. We also got along for a very long time without subsidizing wheat and without subsidizing corn and cotton. All we seek to do here is to subsidize human beings, to subsidize human life. Certainly, if human life is not to be subsidized and permitted to continue and exist, there should be no subsidies for anyone.

What would happen if someone should come here and propose that we end all subsidies? I can imagine the holocaust that would take place within these walls.

Someone said when they found out what it would cost that they no longer wanted public housing. The people who need this public housing cannot possibly be concerned with cost, because they have not got the money to pay for housing. It is people who are on relief, it is the people whose furniture is on the streets because they are unable to pay rent, that we provide this public housing for. Certainly if we cannot stand for a little humanity in this House I do not understand what we can possibly stand for. If there was ever a crying need for assistance in this country, Mr. Chairman, it is for the assistance provided in this bill. I think it would be a sad state of affairs if we failed to pass a public housing bill; therefore, I plead with you to vote down this amendment.

Mr. Chairman, I want to add my voice to those Members of this body who have expressed their deep interest and enthusiasm for the liberal provisions which are proposed under the Housing Act of 1961, as presented by the very able chairman of the Housing Subcommittee, ALBERT RAINS.

There are many features contained in this proposed legislation which will receive my wholehearted support. However, the pressing need for more low- and middle-income housing has made this area of housing and community development one of the deepest concern to me. Low-income and lower middle-income families constitute the bulk of those families displaced by urban renewal, highway construction, and other public improvements. Yet, new housing construction has consisted predominantly of the kind of apartments and one-family houses which only the very rich or at best the upper-income family could afford. This is a tragic circumstance and one which this Democratic Government should no longer cease to acknowledge. H.R. 6028 does acknowledge this circumstance by providing for liberal FHA loans, experimental rehabilitation programs, and stepped-up public housing construction, among other features.

The road to final passage has always been a rocky one for housing legislation, and apparently the 1961 legislation is to be no exception. But, gentlemen, we must face up to the fact that the state of our cities—the lack of housing accommodations, and the continued growth of slums—looms as one of the most important of all domestic problems today. The failure to adequately accommodate the explosive growth of urban population, as it exists today will mean that the urban problems of the future will have been multiplied and expanded far beyond any possibility of reasonable solution.

We have made considerable progress since the passage of the National Housing Act in 1934, the public housing legislation of 1937, and the singularly progressive Housing Act of 1949. Nevertheless, 20 percent of our housing inventory today consists of deteriorating or dilapidated dwellings, and more than 24 percent of the country's family units have incomes of less than $3,000. These two statistical statements combined present a clear indication of the housing needs of the low-income and moderate-income families, for it is they who cannot find decent, safe, sanitary housing—at a price they can afford.

Previous attempts to stimulate production of moderately priced housing have not met with much success in the Congress. I am convinced that this will not be true of the provisions contained in the housing legislation for 1961. There are several good reasons for my confidence in this matter.

First, the 40-year, 3-percent loans which are proposed will not be a drain on the revenue of the Federal Government as some of the previous proposals would have been. The Federal housing insurance loan program is a self-supporting operation which currently has a sufficiently adequate reserve to meet any contingency.

Second, private enterprise will take a predominant role in meeting the housing needs of the moderate-income families.

Third, there is clear and overwhelming evidence that substandard housing is abhorrent to most American citizens and they recognize the importance of creating the correct and appropriate image of American living standards in this crucial period of world history.

Fourth, congressional Members and others realize that the investment in urban renewal must be protected through the provision of decent, safe, sanitary housing for those displaced by urban renewal and other public improvements and for the increased population.

Fifth, and not the least of the reasons for my confidence that the Housing Act of 1961 will become reality, is the fact that nonfulfillment of the avowed goal of the Congress of a "decent home in a suitable living environment for every American family," would be tragic, costly, and a serious indictment of the integrity of this body which has been charged with the responsibility of representing the public interest.

In addition to the provision of moderately priced housing through the expansion of the requirements of section 221, it is proposed that a brandnew, liberal program of insurance for home rehabilitation loans be inaugurated. This new provision should serve as a stimulant to the upgrading of neighborhoods, an area which has been neglected, chiefly because of the reluctance of some financial institutions to invest in rehabilitating structures located in neighborhoods which contain many dwelling units which were in need of repair and proper maintenance. It will serve as an incentive to many homeowners and landlords who have been unable to secure the necessary financing at a cost which was not prohibitive. Demolitions, abandonments and conversions have removed an average of 130,000 dwelling units annually—a decrease in our housing inventory which we can ill afford. With an adequate supply of financial assistance for rehabilitation and conservation of basically sound structures, additional housing can be made available for moderate-income families.

Public housing is apparently the only avenue of relief for the larger families and the elderly couples whose incomes are below $3,000. It is therefore important that the limitations on construction and authorization of these units be eliminated and that communities be encouraged to use the authorizations to remove the lowest-income families from the unhealthy atmosphere of the slum and the overcrowded dwelling.

In addition to special public housing units, the 1961 Housing Act increases by $100 million the program of direct loans for the construction of housing for the elderly—another important facet of the complex housing and community redevelopment problem.

A continuing program of urban renewal and urban planning assistance is imperative to the life of the urban centers of the country, and the Congress must assure the local levels of government that the necessary assistance will continue to be available for the long-term planning which is involved in the process of renewing our cities. Such an assurance is implicit in the increased Federal assistance envisioned by H.R. 6028.

The successful elimination of slums and blight can only be achieved if there is an increase in the supply of low and moderately priced housing; coupled with general planning and renewal financial and technical assistance from the Federal Government—this the Housing Act of 1961 would do, and I call upon every Member of this body to recognize the urgent necessity for the passage of this piece of legislation.

Mr. RAINS. Mr. Chairman, I wonder if we could agree on a time for closing debate on this section.

I ask unanimous consent that all debate on this section and all amendments thereto close at 4:45.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

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

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

There was no objection.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment before us.

Nothing could be more clear than the issue which this amendment presents. Are we today, 12 years after birth of the program in the Housing Act of 1949, going to scuttle public housing or are we going to affirm it as a necessary means of providing decent housing for low-income families in America?

Year after year, Mr. Chairman, we have been confronted with similar amendments, similar efforts to destroy public housing. Why is this? Is it because public housing represents an intrusion by the Federal Government into a field which properly can and should be handled by private industry? Those who support the amendment say the answer to this is "yes," but neither now nor in years past have they produced a scintilla of evidence to support their position.

Mr. Chairman, I wish it were the case that private industry could supply housing for low-income families but the plain fact of the matter is that they cannot do so—or at least they have not done so to date. I have said repeatedly—and I believe that I express the feelings of all of us here who oppose this amendment—that I will be the first to vote against public housing and get Government out of this field when and if there is some indication of a readiness, desire, and ability to produce the needed housing by private industry.

Let me just add one thing, Mr. Chairman. It is hard for me to understand how Republicans can support this amendment to the last man. They know that decent housing for millions of American families in the lower income bracket is not being supplied privately. If their efforts to kill public housing are successful, they will have removed the only source of hope which these unfortunate families have for decent shelter.

Mr. Chairman, the amendment must be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SANTANGELO].

(By unanimous consent, the time allotted Mr. ANFUSO was given to Mr. SANTANGELO.)

Mr. SANTANGELO. Mr. Chairman, I am opposed to the pending amendment which would strike public housing from this housing bill.

Some of you gentlemen who have come to the city of New York have noticed, when you came in on your last party, that in my particular area of Yorkville, N.Y., there are over 10,000 families who have been dislocated and displaced by luxury apartments renting at $75 to $100 per room per month in these new houses. These people have come begging for assistance, because they do not have the funds, they do not have the homes, they do not have the finances to move into a house which they can afford as a low-income group. These are the victims of luxury projects.

We find the gentleman from Florida saying, in essence, he does not want to give charity to these people. What will it cost us? One hundred thousand units at $500 a unit, will cost $50 million as a subsidy under the terms of this bill. New York State and New York City would receive not more than 7,500 units. Your charity begins in Florida, that beautiful place, with waving palms and coconut trees. The Member who is offering this amendment comes from Florida. What is the grant-in-aid situation there. We find $157 million in grants-in-aid going to Florida. When I am on the Committee on Agriculture, I have to appropriate to protect your citrus fruits, and I have to appropriate funds for other people in the farm areas. I expect the same kind of consideration from the people on the farms, from the citrus growers of Florida, from California, I expect them to come here and give the people of my community, the people of the big cities and big States the opportunity to live in dignity, in cleanliness, and in comfort.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

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

Mr. HERLONG. I would like to have the gentleman point out where he has appropriated anything for Florida citrus in appropriations for agriculture.

Mr. SANTANGELO. We have made appropriations for research for citrus fruits in your State, and in many other States we have provided funds for research in many agricultural areas throughout the United States.

The four big States of California, Illinois, New Jersey, and New York contribute 40 percent of the tax collections of this country. We are paying more for this program than any of you. New York State pays 19 percent of the tax collections of the country, and we ask you to do a little something for the people of my State whose public housing quota is being exhausted. The report of the city of New York is that we cannot have any more units unless this measure is approved, unless we get the 15-percent limitation.

This is a humanitarian cause. I would like to live like those in California where you have your beautiful homes, with landscaped gardens, or in the corn country in Illinois where we would have some grass, some light, and fresh air. But what happens? You say this is charity. But charity begins at home. Since we are paying the taxes for these programs, I say to you gentlemen whom we have helped in the past in your wheat programs and your corn programs, show us the same kind of Americanism and consideration that we have given to your people.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

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

Mr. McDONOUGH. Is there not a State public housing authority in the State of New York?

Mr. SANTANGELO. We have a New York City Housing Authority?

Mr. McDONOUGH. I said State.

Mr. SANTANGELO. We have a State housing authority which has helped build State aid public housing projects.

Mr. McDONOUGH. But you have a city authority?

Mr. SANTANGELO. We have city and State funds, but nevertheless we still have a need for housing in New York. In my district alone 10,000 people have been uprooted, dislocated, and displaced. We ask you to give us the same sympathetic consideration that we have given you in the past.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am confused. Only yesterday the gentleman from New York [Mr. MULTER], stood here in the well of the House and told us about the wonderful prosperity in this country. I assumed that New York was prosperous; both the city and the State. He told us about all the splendid prosperity throughout the country and ability to afford all the beautiful things of life. Now we hear of vast numbers of impoverished. What has happened in 24 hours to this prosperity, I ask my friend?

Mr. MULTER. That prosperity is still with us, but we still have the poor of this land with us in New York City and every other part of the country, and this bill will take care of those poor unfortunates who cannot help themselves.

Mr. GROSS. Now I hear from another gentleman that New York is broke.

Mr. MULTER. He did not say that at all.

Mr. GROSS. What did he say?

Mr. MULTER. He said the low-income groups——

Mr. GROSS. Wait a minute. Let me have a few seconds of my time. It was either the gentleman from New York [Mr. SANTANGELO], or the gentleman from New York [Mr. FARBSTEIN] who said we are at the end of the row or our rope.

Mr. SANTANGELO. Mr. Chairman, if the gentleman will yield, the gentleman did not understand the end of the row, because under the authority granted under this housing program we can build more than a couple of thousand units, and unless this bill is passed, we are at the end of the line. And, I did not say that New York City was broke, because New York City is not broke and is also constructing low-cost public housing for some people. But, we need the assistance of the Federal Government in order to help the poor people of this country, that is all.

Mr. GROSS. I want to say one other thing in the short time allotted to me, and I hope the distinguished majority leader is on the floor. He spoke about conditions under which he lived as a youngster. I will guarantee the distinguished majority leader that as a youngster I went barefoot more years than he did, and ate more salt pork than he ever thought of eating. Yet somehow we lived and thrived without the Government in Washington attending to our every need.

I regret that I have only 2 minutes for I would like to say more on this subject.

The CHAIRMAN. The chair recognizes the gentleman from California [Mr. ROUSSELOT].

Mr. ROUSSELOT. Mr. Chairman, I will say that I have tremendous respect for the people of the big cities that have this problem of housing. But, we do not need additional authority for Federal public housing units. There are over 17,000 units under the authority of the Public Housing Administration today that have not been used. In the last year and a half, in any one month, there have never been more than 1,100 units authorized by the P.H.A. Now, the point is simply this, that the Federal Government has more than enough authorization right now to cover so-called public housing needs far beyond another 2 years. We do not need 100,000 units of public housing, and because it is a big spending item that we are encouraging unnecessarily, I shall support this Herlong amendment because it is necessary. If you want to go back to your district and say "I am not a big spender," vote for this Herlong amendment. This amendment will eliminate an unnecessary 3.5 billion of unneeded expenditure.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I would like the distinguished gentleman from Alabama [Mr. RAINS], the chairman, to hear this, because this is the way the act operates in certain instances. I have a good place called Stowe Township in my district in Pennsylvania.

In 1941 the Federal Housing Administrator built a Government housing project on a plot of ground called Ohio View Acres and they had 15 acres left unused. The project later came under the low-rent program, and because the plans of the Administrator did not take proper care of the storm sewer from the project there was a suit against both the township and the Federal Housing Administrator. The Housing Administrator refused to pay, so the township received a judgment against it for $15,255.55 with interest about $8,800 making a total of $23,000 damage in favor of the railroad on which the debris was washed in a storm.

This damage occurred in 1941, 1942, and 1943 and the Federal Housing Administrator has paid no contribution yet. The commissioners of this township saw that the local housing authority all this time had 15 acres of unused land. So, they said to the Allegheny County Housing Authority "Give it to us for a park or swimming pools." The authority then informed the township commissioners that the request could not be acceded to, saying "We may need the land in the future." How long is the Federal Housing Administration and the local authority going to hold the 15 acres of unused land? There has been no decision yet.

I read from part of the correspondence on the subject of the storm damages and the correspondence and resolution of the housing authority regarding the unused land. Why can't these problems be worked out? I believe that intelligent people can come to a successful conclusion and all parties will be happy.

WILLIAM F. CERCONE,
Pittsburgh, Pa., January 21, 1954.

Hon. JAMES GROVE FULTON,
New Federal Building,
Pittsburgh, Pa.

DEAR MR. FULTON: In my several conversations with you concerning the above case, you asked me to set forth a detailed account of the township's request for reimbursement from the Federal Government of money which the township, by reason of judgment obtained against it in the above captioned case, is compelled to pay to the Pittsburgh & Lake Erie Railroad Co. for damages it incurred because of the Federal Housing Authority's negligent maintenance of its drainage system situate in the Stowe Township project known as Ohio View Acres.

In 1941, the Federal Housing Administrator, acting under the authority of the Federal Government, began building the Government housing project on a plot of ground in Stowe Township. At that time, the township was assured that if any damages were incurred by the township because of any of the functions of the project, the township would be reimbursed for said damages. A

letter to that effect was sent to the township. However, it has been mislaid and I am certain that a copy of the letter will be found in the file of the Federal Housing Administrator concerning this project.

Drainage from the Government project was directed into the township's sewers and, since the area on which Ohio View Acres was built was so graded, sloped and drained, approximately 70 percent of all the drainage was directed toward the Nichol's Hollow sewer. The project drainage was conducted by connecting pipes and ditches lined with paving block running into the township sewer. The township sewer ran down Nichol's Hollow along Tunnel and Margaret Streets and eventually into the sewer system of the railroad and ultimately to the Ohio River.

In the years 1941, 1942 and 1943, during and after the construction of Ohio View Acres, the concentrated drainage from the area of the project flowed down Nichol's Hollow through the township sewer and into the railroad sewers.

In July 1943, the railroad's drainage facilities became blocked with debris and the paving blocks from Ohio View Acres which had become dislodged and flowed through the township sewers down to the entrance of the railroad sewers. The paving blocks blocked the drainage facilities of the railroad and caused debris and water to overflow onto the railroad tracks, at a cost to the railroad of $15,255.55 for the removal of the accumulations.

The railroad sued the township for this damage and the township attempted to join the Federal Housing Administrator as codefendant in the case, but the Housing Administrator refused to be joined. Because of the Housing Administrator's immunity from suit, the township was compelled to defend an action in which the Federal Government could very well have been more justifiably held accountable.

The railroad obtained judgment against the township and now the township faces the heavy burden of payment of the judgment in the sum of $15,255.55, with interest in excess of $8,800, which makes a total amount in excess of $23,000.

Judge Sarah Soffel, of the court of common pleas of Allegheny County, before whom the case was tried, stated in her opinion:

"In the instant case it is clear to the court that the Federal Government failed to provide proper and adequate drainage facilities for the Ohio View Acres project. Logically it should be held responsible and made to account for the damage done."

The opinion reveals how strongly the court felt that the Authority should pay the damages.

In the agreement between the township and the Federal Housing Authority, there appears a clause stating as follows:

"It is understood and agreed that the township will not be required to make any capital expenditures for the development of any sewer in connection with the construction of the development."

This agreement certainly establishes the fact that the burden of responsibility for the wrongful and negligent maintenance of drainage systems by the Federal Government should not be shifted to the township. At the time the railroad sued the township, the township officials were assured by representatives of the Federal Housing Authority that the township would not be burdened with any financial loss. But no help or aid has been forthcoming from the Authority.

The inability of the township to bring the Federal Housing Authority in as codefendant in the case should not impose upon it an obligation for which it is not responsible. The township should not be called upon to indemnify the railroad under the circumstances of this case, for damages which it suffered through the fault of the Federal Housing Administration.

The execution of the agreements between the township and the Federal Housing Administration was brought about by a series of circumstances over which the township had no control and which it could not escape. When the Government chose a location for its project, it did so without permission or leave and made its own regulations. In this case the Federal Housing Administration (1) secured no permit to build from the township; (2) submitted no plans to the township for approval; (3) submitted no plans for the construction of its streets and sewers; (4) constructed streets, sewers, and building according to plans and specifications, in a manner which did not conform with the township's requirements; (5) the township has never accepted the housing project known as Ohio View Acres and will not accept its streets and sewers because they do not comply with township specifications; (6) the housing project does not pay for itself through taxes, and receives services from the township in excess of the taxes which are paid.

Prior to this damage sustained by the railroad, the township and the railroad had enjoyed peaceful relationships in their respective functions and particularly with regard to their sewer systems since 1901. There was no trouble between the township and the railroad, nor had the railroad ever sustained any damages over the drainage of the township sewers into the railroad sewers prior to the existence of this project. It does not seem equitable that the township should be harnessed with this huge expense when, in fact, the damage to the railroad was brought about by the malfunction of the Federal project's drainage system.

It is the respectful opinion of the township that the Federal Government should in all justice reimburse the township for at least the face amount of the judgment, $15,255.55.

The township officials respectfully seek your able assistance in procuring for it the reimbursement of the $15,255.55, the judgment amount which it is compelled to pay to the Pittsburgh & Lake Erie Railroad Co. for damages brought about by the negligence of the Federal Housing Authority.

I shall be at your service to do whatever is necessary to expedite this matter.

With kindest regards, I am,

Sincerely yours,

WILLIAM F. CERCONE,
Solicitor for Stowe Township (now Judge).

MAY 31, 1960.

Hon. JAMES G. FULTON,
Pittsburgh, Pa.

DEAR CONGRESSMAN FULTON: About 20 years ago the Ohio View Acres project in Stowe Township was built on what was known as the Nichol farm. Approximately 15 acres were left unused.

The township of Stowe would like to have the Government donate this 15 acres of land so that it could be developed as a badly needed recreational park in our township. We plan to build a swimming pool, tennis courts and picnic shelters, outdoor grills, etc.

These facilities are sorely needed here as there is no other pool in our township or the surrounding ones and no means whatsoever of recreation for the people, especially the young people who live in this project and the area which surrounds it; a semirural area.

We enclose a copy of a plan of this 15 acre plot of land.

Any help you can give us in getting this land will be appreciated greatly not only by the correspondent but by the residents of the township.

Sincerely yours,

STANLEY BACHOWSKI,
Chairman, Board of Stowe Township Commissioners.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 11, 1960.

Mr. STANLEY BACHOWSKI,
Chairman, Board of Stowe Township Commissioners, McKees Rocks, Pa.

DEAR BACHOWSKI: Your letter of May 31, 1960, has been forwarded to me in Washington, D.C., and I have read it with care and have gone over the blueprint which you have submitted.

As I had advised you and your members at our personal meeting, I am deeply interested in assisting Stowe Township in working out some arrangement with the Federal Government for the use of 15 acres of land in the Ohio View Acres project in Stowe Township, which was built on what was known as the Nichol farm. I agree with you that the best use of this land, now unused, would be for the development of a badly needed recreational park in Stowe Township. I have made special note of your comments that these facilities are sorely needed as there is no other swimming pool in the township or the surrounding townships. Likewise, there is no means whatsoever of recreation for the people, especially the young people who live in this project, in the area which surrounds it.

You have stated in your letter of May 31, 1960, that the township plans to build a swimming pool, tennis courts, picnic shelters, outdoor grills, etc., in this area if it is made available for these purposes. At your convenience, could you give me an estimate of the amount the township is willing to spend on the development of this area for these purposes, provided the land is made available to it? Also, I would like to have what use the land might be put to in connection with needed recreation areas for the Stowe Township School District.

I am immediately contacting the Federal authorities in Washington, D.C., and will be glad to advise you promptly when I have made a preliminary survey to see what course we should follow in approaching this proposed development. Count on my continued full cooperation and deep interest.

With personal regards.

Sincerely,

JAMES G. FULTON.

CONGRESS OF THE UNITED STATES,
HOUSES OF REPRESENTATIVES,
Washington, D.C., November 22, 1960.

Mr. C. HOWARD MCPEAK,
Executive Director, Allegheny County Housing Authority, Pittsburgh, Pa.

DEAR MR. MCPEAK: I am writing to you further in regard to the proposed acquisition by Stowe Township of 15 acres of land which is part of Project PA–6–20 owned by your authority.

Paul R. Boesch, regional attorney of the Housing and Home Finance Agency, in his letter to you of February 5, 1960, had outlined the procedure for disposition of such land, if found to be excess to your needs, stating that it is set forth in section 121 of your administration contract (Form PHA–2243, Revised July 1952) and the Low Rent Housing Manual, section 509.1. Mr. Boesch had further stated that he understands that you have requested Mr. Emil R. Pecori to arrange a meeting between representatives of the township and your authority to discuss this matter and that you will advise him after such meeting is held.

Emil R. Pecori has now advised our office that you had talked with him the latter part of August 1960 about this property, and that we understand from that conversation that no definite decision has been made by your agency as yet, whether the land might be surplus now or at a future date. Your office understood that there might be some chance at a future date that the land could be used as a housing project for the aged similar to one in Homestead.

I would strongly urge that some decision be made on this land, as it is better to have it in use as a recreation area than to have the land idle for years with no decision as to use having been made at a governmental level. This is said without criticism and merely on the basis that this land is so suitable for a recreation area and is desired by the local officials and community for that purpose, and I would recommend that such procedure be instituted at present. In addition, I would like to assure you that you will receive my full support for the acquisition of further land in this area or in our congressional district for housing projects for the aged which might come up in the future, and I will also continue my full support and cooperation for the funds for such projects.

Under these circumstances, I would request a further consideration of the situation in Stowe Township, in order that the governmental representatives of Stowe Township might proceed with such a constructive proposal for making the Stowe Township area a better and more pleasant place to live.

Sincerely,

JAMES G. FULTON.

ALLEGHENY COUNTY
HOUSING AUTHORITY,
Pittsburgh, Pa.

The following resolution was adopted by the board on December 1, 1960:

"RESOLUTION 60–37

"Resolution retaining unused land at Ohio View Acres for future development:

"Whereas the township of Stowe has requested Allegheny County Housing Authority to convey to the township, three parcels of vacant land at Ohio View Acres public housing project, PA–6–20, so that the township might develop the same as a public park; and

"Whereas the members and staff attorney of Allegheny County Housing Authority, pursuant to the housing authority policy of cooperating in the public interest with local communities whenever possible, have studied the township request, examined the land in question, and looked into the legal aspects and potential use of said land: Now, therefore, be it

"Resolved, That the township of Stowe be advised:

"1. That the land in question was deeded for a specific purpose to Allegheny County Housing Authority by the Federal Government as part of the housing project at the time the project was converted from a Federal defense project to a low-rent housing project, namely for use in connection with and for the purpose of low-rent public housing.

"2. That the land is such that it might be developed and used for the purpose specified in the deed of conveyance, and therefore cannot be alienated.

"3. That it is the present policy of the Government to make provision in public housing for elderly people, whose income is not sufficient to provide them with decent standard housing, and this land at Ohio View Acres might well be used for the construction of low-rent housing for the elderly.

"4. That the members of Allegheny County Housing Authority regret that the request of the township of Stowe cannot be complied with and the land in question must be held by Allegheny County Housing Authority for use in connection with low-rent public housing."

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, I wish to raise my voice, a small and humble voice, for a man who 12 years ago was the idol on the other side of the aisle and now that he is dead those who cheered and followed him 12 short years ago seek to tumble into rubbish his monument.

We hear the ringing of the chimes in the memorial they built of material things that money can buy, but the imperishable monument to Bob Taft is the Housing Act of 1949, and its program for roofs over families that otherwise would be roofless. That monument, those who addressed him with pride and adoration as "Mr. Republican" when he was among us, now would raze to the ground.

I wonder how quietly with their conscience they will be resting tonight—I wonder when again they listen to the chimes ringing into the Washington air from the Taft Memorial what thoughts will haunt their minds. History already has written the Housing Act of 1949, which never would have been enacted but for Bob Taft's herculean support, the outstanding legislative accomplishment of a long and distinguished career. Does not conscience prick when those who acclaimed him, now assail as something odious, the program of housing for the homeless that he put in the Housing Act of 1949 and which was very close to his heart.

Just one other thought. I am 79 years old and all my life I have known public housing. When I was a boy public housing was the poorhouse, and the poorhouse was the biggest house in every county. The people did not have much money, but they supported the poorhouse. They did not call it public housing, but that is exactly what it was.

How ridiculous it is today that people should say that public housing is a new concept and that people always got along without public housing until the Housing Act of 1949. Why, they never got along without public housing. Thank goodness, this great land of ours has always been peopled with men and women with hearts and they always have responded to the needs of those who were in need. Call it a poorhouse, as they did in my boyhood, and no one grumbled over its support, or a public housing project, as it is termed in an era of the more expansive vocabulary, it is the same expression of the unchanging will of the American people to give shelter to men and women and children whom misfortune has made dependent on the helping hand of their brothers. Together we walk the paths of life. We cannot walk alone.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Florida [Mr. HERLONG].

Mr. HERLONG. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HERLONG and Mr. RAINS.

The Committee divided and the tellers reported that there were—ayes 141, noes 168.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. McDONOUGH. Mr. Chairman, I ask unanimous consent that the bill be considered as read, and open to amendment at any point.

The CHAIRMAN. Is there any objection to the request of the gentleman from California?

Mr. HALLECK. Mr. Chairman, reserving the right to object, and I am not going to object, of course, however, if this unanimous consent is granted, then the majority, if they have the votes, could move to shut off debate on the entire bill and all amendments thereto. I sincerely hope, if we dispense with the reading of the bill that those who want to offer amendments will at least have an opportunity to have 5 minutes pro and con on their amendments, without the threat of debate being shut off.

Mr. RAINS. Certainly, I would not make any such move unless I had an agreement with my colleagues on the other side.

Mr. HALLECK. Mr. Chairman, I withdraw my reservation of objection.

Mr. McDONOUGH. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

Mr. MULTER. Mr. Chairman, of course, that means that the remainder of the bill which has not yet been read will be open for amendment and not the entire bill.

The CHAIRMAN. The gentleman is correct.

Is there objection to the request of the gentleman from California?

There was no objection.

The remainder of the bill is as follows:

Extension of waiver in case of veterans and servicemen

SEC. 205. The proviso in section 15(8)(b) of the United States Housing Act of 1937 is amended by striking out "October 1, 1961" and inserting in lieu thereof "October 1, 1965".

Miscellaneous public housing amendments

SEC. 206. (a) Section 15 of the United States Housing Act of 1937 is amended by—

(1) inserting in paragraph (5) after the second parenthetical clause the following: "on which the computation of any annual contributions under this Act may be based";

(2) striking out "$2,500" in paragraph (5) and inserting in lieu thereof "$3,000";

(3) striking out paragraph (6), redesignating paragraph (9) as paragraph (6), and transferring paragraph (9), as so redesignated, to place heretofore occupied by the paragraph so stricken out; and

(4) striking out "or 5 per centum in the case of any family entitled to a first preference as provided in section 10(g)" in paragraph (7)(b) and inserting in lieu thereof "except in the case of a family displaced by urban renewal or other governmental action or an elderly family".

(b) Section 10(h) of such Act is amended by inserting the following after the word "project" the third time it appears therein: "(exclusive of any portion thereof which is not assisted by annual contributions under this Act)".

(c) Section 10(j) of such Act is repealed.

TITLE III—URBAN RENEWAL AND PLANNING

Increased Federal aid for small communities; 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 fifty thousand or less (one hundred fifty thousand or less in the case of a municipality 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) according to the most recent decennial census, 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."

(b) Section 104 of such Act is amended by striking out the second sentence and inserting in lieu thereof the following: "Such local grants-in-aid, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency (or two or more local public agencies in the same municipality) on which contracts for capital grants have theretofore been made, shall be at least equal to the total of one-third of the aggregate net project costs of such projects undertaken on a two-thirds capital grant basis and one-fourth of the aggregate net project costs of such projects undertaken on a three-fourths capital grant basis."

(c) The third and fourth sentences of section 110(e) of such Act are each amended by striking out "pursuant to the proviso in the second sentence of section 103(a)" and inserting in lieu thereof "pursuant to section 103(a)(2)(C)".

Capital grant authorization

SEC. 302. Section 103(b) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Administrator may, with the approval of the President, contract to make grants under this title aggregating not to exceed $4,000,000,000."

Relocation payments

SEC. 303. Section 106(f)(2) of the Housing Act of 1949 is amended—

(1) by inserting after "$3,000" the following: "(or, if greater, the total certified actual moving expenses)"; and

(2) by inserting "and actual direct losses of property" before the period at the end of the last sentence.

Financial assistance for displaced business concerns

SEC. 304. Section 7(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (2) a new paragraph as follows:

"(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 any small-business concern if the Administration determines that such concern has suffered substantial economic injury (for which reimbursement or compensation is not otherwise made, exclusive of relocation payments, if any, under section 106(f) of the Housing Act of 1949) as a result of its displacement by an urban renewal project included in an urban renewal area respecting which a contract for capital grant has been executed under such Act."

Resale of property in urban renewal areas for housing for moderate income families

SEC. 305. (a) Section 107 of the Housing Act of 1949 is amended by—

(1) changing the title thereof to read "PROPERTY TO BE USED FOR PUBLIC HOUSING OR HOUSING FOR MODERATE INCOME FAMILIES";

(2) inserting "(a)" before the first sentence and striking out the words "to be" in such sentence;

(3) striking out "is incorporated" and inserting in lieu thereof "was incorporated on or after September 23, 1959,"; and

(4) adding at the end thereof the following new subsection:

"(b) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families of moderate income."

(b) Clause (4) of the second sentence of section 110(c) of the Housing Act of 1949 is amended by inserting before the semicolon at the end thereof the following: "or as provided in section 107".

Rehabilitation

SEC. 306. (a) The second sentence of section 110(c) of the Housing Act of 1949 is amended by—

(1) striking out "and" at the end of paragraph (5);

(2) striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(3) adding after paragraph (6) a new paragraph as follows:

"(7) acquisition and repair or rehabilitation for guidance purposes, and resale by the local public agency, of structures which are located in the urban renewal area and which, under the urban renewal plan, are to be repaired or rehabilitated for dwelling use or related facilities: *Provided*, That the local public agency shall not acquire for such purposes, in any urban renewal area, structures which contain or will contain more than (A) one hundred dwelling units, or (B) 5 per centum of the total number of dwelling units in such area which, under the urban renewal plan, are to be repaired or rehabilitated, whichever is the lesser."

(b) The third sentence of section 110(c) of such Act is amended by inserting after "include" the following: "(except as provided in paragraph (7) above)".

Increase in nonresidential exception

SEC. 307. The fifth sentence of section 110(c) of the Housing Act of 1949 is amended by—

(1) striking out "Housing Act of 1959" and inserting in lieu thereof "Housing Act of 1961"; and

(2) striking out "20 per centum" and inserting in lieu thereof "30 per centum".

Eligibility of certain local grants-in-aid

SEC. 308. Section 110(d) of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"Notwithstanding the provisions of section 312 of the Housing Act of 1954 or any request previously made by any local public agency pursuant to such section, upon request of the local public agency the eligibility of the local grants-in-aid for any project of such local public agency in connection with which the final capital grant payment has not been made shall be determined in accordance with the provisions of this subsection (and, if applicable, section 112)."

Urban renewal areas involving colleges, universities, or hospitals

SEC. 309. Section 112 of the Housing Act of 1949 is amended to read as follows:

"Urban renewal areas involving colleges, universities, or hospitals

"SEC. 112. (a) In any case where an educational institution or a hospital is located in or near an urban renewal project area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution or hospital for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution or hospital, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this title for an urban renewal project in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas. The aggregate expenditures made by any such institution or hospital (directly or through a private redevelopment corporation or municipal or other public corporation) for the acquisition within, adjacent to, or in the immediate vicinity of the project area, of lands, buildings, and structures to be redeveloped or rehabilitated by such institution for educational uses or by such hospital for hospital uses, in accordance with the urban renewal plan (or with a development plan proposed by such institution, hospital, or corporation, found acceptable by the Administrator after considering the standards specified in section 110(b), and approved under State or local law after public hearing) and for the demolition of such buildings and structures if, pursuant to such urban renewal or development plan, the land is to be cleared and redeveloped, and for the relocation of occupants from buildings and structures to be demolished or rehabilitated, as certified by such institution or hospital to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with such urban renewal project: *Provided*, That no such expenditure shall be eligible as a local grant-in-aid in any case where the property involved is acquired by such educational institution or hospital from a local public agency which, in connection with its acquisition or disposition of such property, has received, or contracted to receive, a capital grant pursuant to this title.

"(b) No expenditure made by any educational institution or hospital, as provided in subsection (a), shall be deemed ineligible as a local grant-in-aid in connection with

any urban renewal project if made not more than five years prior to the authorization by the Administrator of a contract for a loan or capital grant for such project.

"(c) The aggregate expenditures made by any public authority, established by any State, for acquisition, demolition, and relocation in connection with land, buildings, and structures acquired by such public authority and leased to an educational institution for educational uses or to a hospital for hospital uses shall be deemed a local grant-in-aid to the same extent as if such expenditures had been made directly by such educational institution or hospital.

"(d) As used in this section—

"(1) the term 'educational institution' means any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which inures to the benefit of any private shareholder or individual; and

"(2) the term 'hospital' means any hospital licensed by the State in which such hospital is located, including any public hospital or any nonprofit hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual."

Urban planning assistance

SEC. 310. Section 701 of the Housing Act of 1954 is amended by—

(1) striking out "50 per centum" in the first sentence of subsection (b) and inserting in lieu thereof "two-thirds";

(2) striking out "$20,000,000" in the last sentence of subsection (b) and inserting in lieu thereof "$50,000,000";

(3) inserting after "public facilities" in clause (1) of subsection (d) ", including transportation facilities"; and

(4) adding at the end thereof the following new subsection:

"(f) The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in the comprehensive planning for the physical growth and development of interstate metropolitan or other urban areas, and to establish such agencies, joint or otherwise, as they may deem desirable for making effective such agreements and compacts."

Historical site in urban renewal area

SEC. 311. (a) Notwithstanding section 110 (c)(4) of the Housing Act of 1949, as amended, or any other provision of law, the urban renewal project in Knoxville, Tennessee, known as the Riverfront-Willow Street redevelopment project, may include the donation by the Knoxville Housing Authority to the James White's Fort Association, by a suitable instrument of conveyance, of all right, title, and interest of the authority in and to the following described tract of land, constituting a portion of tract T-2 of the said project and containing 0.985 acres more or less:

Beginning at an iron pin located at the intersection of the east property line of Collins Alley and the south property line of Rouser Alley; thence in a northerly direction, north 32 degrees 35 minutes west, 111.0 feet to an iron pin located in the east property line of Collins Alley; thence in a westerly direction, south 55 degrees 20 minutes west, 207.0 feet to an iron pin; thence in a southwesterly direction, south 35 degrees 05 minutes west 80 feet to an iron pin; thence in a southerly direction south 27 degrees 25 minutes east, 193.40 feet to an iron pin located in the north property line of Hill Avenue; thence in an easterly direction, north 67 degrees 43 minutes east, 33.54 feet to an iron pin; thence in an easterly direction, north 60 degrees 02 minutes east, 31.64 feet to an iron pin; thence in an easterly direction, north 58 degrees 30 minutes 30 seconds east, 53 feet to an iron pin located in the north property line of Hill Avenue; thence in a northerly direction, north 30 degrees 22 minutes 30 seconds west, 134.03 feet to an iron pin; thence in an easterly direction, north 59 degrees 21 minutes 30 seconds east, 175.61 feet to the point of beginning.

(b) The conveyance authorized to be included in the Riverfront-Willow Street redevelopment project under subsection (a) of this section shall be made only if the James White's Fort Association represents, and furnishes such assurances as may be required by the Knoxville Housing Authority, that such association (1) will undertake the reconstruction on the site conveyed of General James White's cabin and fort, and (2) will develop, preserve, and operate such property on a nonprofit basis as a historical site or monument.

Credit for cost of school construction

SEC. 312. No public facility, the provision of which is otherwise eligible as a local grant-in-aid for any urban renewal project receiving assistance under title I of the Housing Act of 1949 in the city of Roanoke, Virginia, and the construction of which was commenced prior to January 1, 1961, shall be deemed to be ineligible as a local grant-in-aid because of any change in the urban renewal plan for such project which is determined by the Housing and Home Finance Administrator to have resulted from the proposed location within the urban renewal area in which such project was undertaken of a federally aided highway. For the purpose of computing the portion of the cost of any such facility which may be allowed as a local grant-in-aid, the degree of benefit of the facility to such urban renewal area shall be based on the latest estimate of benefit submitted by the local public agency and accepted by the Administrator prior to such change in the urban renewal plan.

Technical amendments

SEC. 313. (a) Section 101(c) of the Housing Act of 1949 is amended by inserting in clause (1) after "workable program" the words "for community improvement".

(b) Section 102(a) of such Act is amended by inserting in the second proviso after "demolition and removal" the first place it appears the following: ", together with administrative, relocation, and other related costs and payments,".

(c) Clause (4) of the second sentence of section 110(c) of such Act is amended by striking out "initial".

Parks and recreational facilities

SEC. 314. Section 105(a) of the Housing Act of 1949 is amended by striking out "and" preceding clause (iii), and by adding at the end thereof the following: "and (iv) the urban renewal plan gives due consideration to the provision of adequate park and recreational areas and facilities, as may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the site covered by the plan;".

TITLE IV—COLLEGE HOUSING

Loan authorization

SEC. 401. Section 401(d) of the Housing Act of 1950 is amended by striking out the first colon and all that follows and inserting in lieu thereof the following: ", which amount shall be increased by $300,000,000 on July 1 in each of the years 1961 through 1964: *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed $175,000,000, which limit shall be increased by $30,000,000 on July 1 in each of the years 1961 through 1964: *Provided further*, That the amount outstanding for hospitals, referred to in clause (2) of section 404(b) of this title, shall not exceed $100,000,000, which limit shall be increased by $30,000,000 on July 1 in each of the years 1961 through 1964."

Apportionment by States

SEC. 402. Section 403 of the Housing Act of 1950 is amended by striking out "10 per centum" and inserting in lieu thereof "12½ per centum".

Housing provided by nonprofit corporations

SEC. 403. (a) Clause (3) of section 404(b) of the Housing Act of 1950 is amended—

(1) by striking out "established by any institution included in clause (1) of this subsection for the sole purpose" and inserting in lieu thereof "established for the sole purpose"; and

(2) by striking out "such institution" where it first appears and inserting in lieu thereof "one or more institutions included in clause (1) of this subsection".

(b) Clause (3) of section 404(b) of such Act is further amended by striking out "will pass to such institution" and inserting in lieu thereof "will pass to such institution (or to any one or more of such institutions) unless it is shown to the satisfaction of the Administrator that such property or the proceeds from its sale will be used for some other nonprofit educational purpose".

(c) Section 404(b) of such Act is further amended by adding at the end thereof the following new sentence: "In the case of any loan made under section 401 to a corporation described in clause (3) of this subsection which was not established by the institutions or institutions for whose students or students and faculty it would provide housing, the Administrator shall require that the note securing such loan be cosigned by such institution (or by any one or more of such institutions)."

TITLE V—COMMUNITY FACILITIES

Public facility loans

SEC. 501. (a)(1) The first paragraph of section 201 of the Housing Amendments of 1955 is amended by striking out "the States and their political subdivisions" and inserting in lieu thereof "municipalities and other political subdivisions of States".

(2) The third paragraph of section 201 of such Amendments is amended by striking out "States, municipalities, or" and inserting in lieu thereof "municipalities and".

(3) The first sentence of section 202(a) of such Amendments is amended to read as follows: "The Housing and Home Finance Administrator, acting through the Community Facilities Administration, is authorized to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions of States (including public agencies and instrumentalities of one or more municipalities or other political subdivisions in the same State), to finance specific projects for public works or facilities under State, municipal, or other applicable law."

(b) Section 202(b)(2) of such Amendments is amended by adding at the end thereof the following new sentence: "Subject to such maximum maturity, the Administrator in his discretion may provide for the postponement of the payment of interest on not more than 50 per centum of any financial assistance extended to an applicant under this section for a period up to ten years where (A) such assistance does not exceed 50 per centum of the development cost of the project involved, and (B) it is determined by the Administrator that such applicant will experience above-average population growth and the project would contribute to orderly community development, economy, and efficiency; and any amounts so postponed shall be payable with interest in annual installments during the remaining maturity of such assistance."

(c)(1) Section 202(b) of such Amendments is further amended by adding at the end thereof the following new paragraph:

"(3) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be no more than the higher of (A) 2¾ per centum per annum, or (B) the total of one-quarter of 1 per centum per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 203(a)."

(2) The third sentence of section 203(a) of such Amendments is amended to read as follows: "Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Administrator and adjusted to the nearest one-eighth of 1 per centum."

(d) Section 202(b) of such Amendments is further amended by adding at the end thereof (after the paragraph added by subsection (c)(1) of this section) the following new paragraph:

"(4) No financial assistance shall be extended under this section to any municipality or other political subdivision having a population of fifty thousand or more (one hundred fifty thousand or more in the case of a community situated in an area designated as a redevelopment area under the second sentence of section 5(a) of the Area Redevelopment Act) according to the most recent decennial census, or to any public agency or instrumentality of one or more municipalities or other political subdivisions having a population (or an aggregate population) equal to or exceeding that figure according to such census."

(e) Section 202(b) of such Amendments is further amended by adding at the end thereof (after the paragraph added by subsection (d) of this section) the following new paragraph:

"(5) Financial assistance extended under this section to any applicant with respect to any one project shall not exceed $10,000,000 outstanding at any one time."

(f) Section 202 of such Amendments is further amended by adding at the end thereof the following new subsection:

"(d) The types of public works and facilities for which financial assistance under this section may be extended on and after the date of enactment of the Housing Act of 1961 shall be the same as those for which such assistance could be extended in accordance with regulations of the Administrator immediately prior to such date."

(g) Section 203(a) of such Amendments is amended by striking out "$150,000,000" and inserting in lieu thereof "$650,000,000".

(h) Title II of such amendments is further amended by adding at the end thereof the following new section:

"SEC. 207. The Administrator is authorized to establish technical advisory services to assist municipalities and other political subdivisions in the budgeting, financing, planning, and construction of community facilities. There are hereby authorized to be appropriated such sums as may be necessary, together with any fees that may be charged, to cover the cost of such services."

Advances for public works planning

SEC. 502. Section 702 of the Housing Act of 1954 is amended by—

(1) striking out in subsection (a) "10" and inserting in lieu thereof "12½";

(2) striking out the first sentence of subsection (b) and inserting in lieu thereof the following: "No advance shall be made hereunder with respect to any individual project, including a regional or metropolitan or other area-wide project, unless (1) it is planned to be constructed within or over a reasonable period of time considering the nature of the project, (2) it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and (3) the public agency formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance or part thereof when due.";

(3) inserting after "1958;" in subsection (e) the following: $10,000,000 which may be made available to such fund on or after July 1, 1961;"; and

(4) striking out in subsection (e) "$48,000,000" and inserting in lieu thereof "$58,000,000".

TITLE VI—AMENDMENTS TO THE NATIONAL HOUSING ACT

Federal National Mortgage Association

Special Assistance Authorization

SEC. 601. (a) Section 305(c) of the National Housing Act is amended to read as follows:

"(c) The total amount of purchases and commitments authorized by the President pursuant to subsection (a) of this section shall not exceed $1,700,000,000 outstanding at any one time."

(b) Section 305(g) of such Act is amended by adding before the period at the end thereof the following: ": *Provided further*, That the authority of the Association to make purchases and commitments under this subsection shall terminate on the date of enactment of the Housing Act of 1961, and any portion of the total amount of such authority as specified in the first proviso in this subsection which on such date would otherwise be available for making such purchases and commitments shall be transferred to and merged with the authority granted by subsection (a) and added to the amount of such authority as specified in subsection (c)".

(c) Section 306 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any of the provisions of this Act or of any other law, an amount equal to the net decrease for the preceding fiscal year in the aggregate principal amount of all mortgages owned by the Association under this section shall, as of July 1 of each of the years 1961 through 1964, be transferred to and merged with the authority provided under section 305(a), and the amount of such authority as specified in section 305(c) shall be increased by any amounts so transferred."

Limitation on Mortgage Amount

SEC. 602. (a) Section 302(b) of the National Housing Act is amended by striking out "or 803" and inserting in lieu thereof "or title VIII".

(b) Section 302(b) of such Act is further amended by inserting before "or a mortgage covering property" the following: "or insured under section 213 and covering property located in an urban renewal area,".

Federal National Mortgage Association Lending Authority

SEC. 603. (a) Section 302(b) of the National Housing Act is amended by striking out "to make commitments" and all that follows down through the first colon and inserting in lieu thereof the following: ", pursuant to commitments or otherwise, to purchase, lend (under section 304) on the security of, service, sell, or otherwise deal in any mortgages which are insured under the National Housing Act, or which are insured or guaranteed under the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38, United States Code:".

(b) The first sentence of section 303(b) of such Act is amended by inserting immediately before the period at the end thereof the following: "; and by requiring each borrower to make such payments, equal to not more than one-half of 1 per centum of the amount lent by the Association to such borrower under section 304".

(c) Section 303(c) of such Act is amended by striking out the first sentence and by inserting in lieu thereof the following: "The Association shall issue from time to time, to each mortgage seller or borrower, its common stock (only in denominations of $100 or multiples thereof) evidencing any capital contributions (adjusted by reason of any payments into surplus required by the Association) made by such seller or borrower pursuant to subsection (b) of this section."

(d) Section 304(a) of such Act is amended by inserting "(1)" before "To carry out", and by adding at the end thereof the following new paragraph:

"(2) In the further interest of assuring sound operation, any loan made by the Association in its secondary market operations under this section, and any extension or renewal thereof, shall not exceed 80 per centum of the unpaid principal balances of the mortgages securing the loan, and shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors. Any such loan shall mature in not more than twelve months and the term of any extension or renewal shall not exceed twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association."

(e) Section 304(b), section 309(c) and section 310 of such Act are each amended by inserting "or other security holdings" after "mortgages".

FHA insurance programs

Limitations on Insurance Authorizations

SEC. 604. (a) Section 2(a) of the National Housing Act is amended by striking out in the first sentence "1961" and inserting in lieu thereof "1965".

(b) Section 203(a) of such Act is amended by striking out the colon and all that follows the colon and inserting in lieu thereof a period.

(c) Section 217 of such Act is amended—

(1) by striking out "all mortgages which may be insured" and inserting in lieu thereof "all mortgages and loans which may be insured";

(2) by striking out "shall not exceed" and the remainder of the first paragraph and inserting in lieu thereof the following: "after October 1, 1965, shall not exceed the sum of (1) the outstanding principal balances as of that date of all insured mortgages and loans

(as estimated by the Commissioner based on scheduled amortization payments without taking into consideration prepayments or delinquencies), and (2) the principal amount of all outstanding commitments to insure on that date.";

(3) by inserting "after October 1, 1965" before the period at the end of the first sentence in the third paragraph; and

(4) by striking out "hereafter" in the second sentence of the third paragraph and inserting in lieu thereof "after that date".

(d) Section 803(a) of such Act is amended by striking out "1961" and inserting in lieu thereof "1962".

Section 203 Residential Housing Insurance

SEC. 605. (a) Section 203(b)(2) of such Act is amended—

(1) by striking out "$13,500" each place it appears and inserting in lieu thereof "$15,000";

(2) by striking out "$18,000" each place "or $35,000" and inserting in lieu thereof "$20,000"; and

(3) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(b) Section 203(b)(2) of such Act is amended by striking out all that precedes "or $35,000" and inserting in lieu thereof the following:

"(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $27,500 in the case of property upon which there is located a dwelling designed principally for a one-, two-, or three-family residence (whether or not such residence may be intended to be rented temporarily for school purposes);".

(c) Section 203(b)(3) of such Act is amended by striking out "thirty years" and inserting in lieu thereof "forty years".

Authority To Reduce Premium Charges

SEC. 606. The first sentence of section 203(c) of the National Housing Act is amended to read as follows: "The Commissioner is authorized to fix premium charges for the insurance of mortgages under the separate sections of this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments: *Provided*, That any reduced premium charge so fixed and computed may, in the discretion of the Commissioner, also be made applicable in such manner as the Commissioner shall prescribe to each insured mortgage outstanding under the section or sections involved at the time the reduced premium charge is fixed."

Section 207 Rental Housing Insurance

SEC. 607. Section 207 of the National Housing Act is amended by—

(1) striking out the first paragraph of subsection (b)(2) and inserting in lieu thereof the following:

"(2) any other mortgagor approved by the Commissioner which, until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage, is regulated or restricted by the Commissioner as to rents or sales, charges, capital structure, rate of return, and methods of operation to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment. The Commissioner may make such contracts with and acquire, for not to exceed $100, such stock or interest in the mortgagor as he may deem necessary to render effective the regulations or restrictions. The stock or interest acquired by the Commissioner shall be paid for out of the Housing Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.";

(2) inserting in subsection (c)(3) after the words "attributable to dwelling use" the following: "(excluding exterior land improvements as defined by the Commissioner)";

(3) striking out "$1,500 per space" in subsection (c)(3) and inserting in lieu thereof "$1,800 per space"; and

(4) inserting in the first sentence of subsection (i) after the words "of this section" the following: ", except that debentures issued pursuant to the provisions of section 220(f), 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner".

Section 213 Cooperative Housing Insurance

SEC. 608. (a) Section 213 of the National Housing Act is amended by—

(1) inserting in paragraph (2) of subsection (b) after the words "as may be attributable to dwelling use" the following: "(excluding exterior land improvements as defined by the Commissioner)";

(2) striking out "eight or more family units" in subsection (d) and inserting in lieu thereof "five or more family units"; and

(3) striking out in subsection (h) "such mortgagor shall not thereafter be eligible by reason of such paragraph (3) for insurance of any additional mortgage loans pursuant to this section" and inserting in lieu thereof the following: "the Commissioner is authorized to refuse, for such period of time as he shall deem appropriate under the circumstances, to insure under this section any additional investor-sponsor type mortgage loans made to such mortgagor or to any other investor-sponsor mortgagor where, in the determination of the Commissioner, any of its stockholders were identified with such mortgagor".

(b) Section 213(b)(2) of such Act is amended by adding at the end thereof the following new sentence: "In determining the economic feasibility of a project in the case of a mortgagor of the character described in paragraph (3) of subsection (a), the sole test of such feasibility shall be the availability of people in the community who need the housing to be provided by the project and who can afford such housing at the monthly charges applicable under its continued use as a cooperative."

(c) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(j)(1) With respect to any property covered by a mortgage insured under this section, the Commissioner is authorized, upon such terms and conditions as he may prescribe, to make commitments to insure and to insure supplementary cooperative loans (including advances during construction or improvement) made by financial institutions approved by the Commissioner. As used in this subsection, 'supplementary cooperative loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made for the purpose of financing any of the following:

"(A) Improvements or repairs of the property covered by such mortgage; or

"(B) Community facilities necessary to serve the occupants of the property.

"(2) To be eligible for insurance under this subsection, a supplementary cooperative loan shall—

"(A) be limited to an amount which, when added to the outstanding mortgage indebtedness on the property, creates a total outstanding indebtedness which does not exceed the original principal obligation of the mortgage;

"(B) have a maturity satisfactory to the Commissioner but not to exceed the remaining term of the mortgage;

"(C) be secured in such manner as the Commissioner may require;

"(D) contain such other terms, conditions, and restrictions as the Commissioner may prescribe; and

"(E) represent the obligation of a borrower of the character described in paragraph (1) of subsection (a)."

(d) Section 305(e) of such Act is amended by adding at the end thereof the following new sentences: "Whenever the Federal Housing Commissioner shall have issued pursuant to section 213 a statement of feasibility on a project including an estimate as to the maximum amount of the mortgage involved, and an application for mortgage insurance under such section is thereafter filed with the Commissioner with respect to such project, the Association is authorized to enter into a commitment contract to reserve funds for the purchase of such mortgage; and such reservation shall be for such period as may be certified by the Commissioner as being necessary, taking into account the estimated time required to issue a commitment for mortgage insurance. The Association, at the time the Commissioner issues a commitment to insure such mortgage, may impose a charge equal to one-half of the fee which would be payable to it under the last sentence of subsection (b) of this section at the time of the issuance of its advance commitment to purchase the mortgage, with the amount of such charge being credited toward such fee if and when the advance commitment is later issued by the Association."

Section 220 Sales Housing Mortgage Insurance

SEC. 609. (a) Section 220(d)(3)(A)(i) of the National Housing Act is amended—

(1) by striking out "$13,500" each place it appears and inserting in lieu thereof "$15,000";

(2) by striking out "$18,000" each place it appears and inserting in lieu thereof "$20,000"; and

(3) by striking out "70 per centum" and inserting in lieu thereof "75 per centum".

(b) Section 220(d)(3)(A) of such Act is further amended by striking out all that precedes "or $35,000" and inserting in lieu thereof the following:

"(A)(i) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $27,500 in the case of property upon which there is located a dwelling designed principally for a one-, two-, or three-family residence;".

Nursing homes

SEC. 610. Section 232(d)(2) of the National Housing Act is amended by striking out the words following the comma and inserting in lieu thereof the following: "and not to exceed 90 per centum of the estimated value of the property or project when the proposed improvements are completed."

Housing for defense-impacted areas

SEC. 611. (a) Section 810(l) of the National Housing Act is repealed.

(b)(1) Section 305 of such Act is amended by adding at the end thereof (after the new subsection added by section 102(c) of this Act) the following new subsection:

"(j) Notwithstanding any other provision of this Act, the Association is authorized to make commitments to purchase, and to purchase, service, or sell, any mortgage or participation therein which is insured under section 810; but the total amount of purchases and commitments authorized by this subsection shall not exceed $25,000,000 outstanding at any one time."

(2) Section 305(f) of such Act is amended by striking out "title VIII of this Act" and inserting in lieu thereof "section 803 or 809 of this Act".

(c) Section 406(a) of the Act of August 30, 1957 (71 Stat. 556), is amended by striking out ", and no certificates with respect to any family housing units shall be issued by the Secretary of Defense or his designee under section 810 of the National Housing Act, as amended,".

Miscellaneous and FHA amendments

SEC. 612. (a) Section 203 of the National Housing Act is amended by—

(1) striking out in subsection (b)(3) the words "insurance of the mortgage" and inserting in lieu thereof "beginning of amortization of the mortgage", and

(2) striking out in the first proviso of the second sentence of subsection (c) the words "particular insurance fund" and inserting in lieu thereof "particular insurance fund or account".

(b) The second sentence of section 204(d) of such Act is amended by inserting after "mortgagee after default," the following: "except that debentures issued pursuant to the provisions of section 220(f), section 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner,".

(c) The last sentence of section 204(g) of such Act is amended to read as follows: "The power to convey and to execute in the name of the Commissioner deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real or personal property or any interest therein heretofore or hereafter acquired by the Commissioner pursuant to the provisions of this Act, may be exercised by the Commissioner or by any Assistant Commissioner appointed by him, without the execution of any express delegation of power or power of attorney: *Provided,* That nothing in this subsection shall be construed to prevent the Commissioner from delegating such power by order or by power of attorney, in his discretion, to any officer, agent, or employee he may appoint: *And provided further,* That a conveyance or transfer of title to real or personal property or an interest therein to the Federal Housing Commissioner, his successors and assigns, without identifying the Commissioner therein, shall be deemed a proper conveyance or transfer to the same extent and of like effect as if the Commissioner were personally named in such conveyance or transfer."

(d) Section 209 of such Act is amended by striking out in the second sentence "shall be charged as a general expense of the Fund, the Housing Fund, and the Defense Housing Insurance Fund in such proportion as the Commissioner shall determine" and inserting in lieu thereof "shall be charged as a general expense of such insurance fund or funds, or account or accounts, as the Commissioner shall determine".

(e) Section 212 of such Act is amended by—

(1) striking out in the second sentence of subsection (a) "any mortgage under section 220" and inserting in lieu thereof "any loan or mortgage under section 220 or section 233"; and

(2) striking out in the third sentence of subsection (a) "in subsection (d)(4)" and inserting in lieu thereof "in subsection (d)(3) in the case of a cooperative or a limited profit mortgagor, or in subsection (d)(4)".

(f) Section 219 of such Act is amended to read as follows:

"SEC. 219. Notwithstanding any limitations contained in other sections of this Act as to the use of moneys credited to the Title I Insurance Account, the Title I Housing Insurance Fund, the Section 203 Home Improvement Account, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Armed Services Housing Mortgage Insurance Fund, the National Defense Housing Insurance Fund, the Section 220 Housing Insurance Fund, the Section 220 Home Improvement Account, the Section 221 Housing Insurance Fund, the Experimental Housing Insurance Fund, the Apartment Unit Insurance Fund, or the Servicemen's Mortgage Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds or accounts to any other such fund or account in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such funds or accounts, separately and jointly to carry out effectively the insurance programs for which such funds or accounts were established."

(g) Section 220(f) of such Act is amended by—

(1) striking out "or" at the end of paragraph (1),

(2) striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or", and

(3) adding at the end thereof the following:

"(3) as to mortgages meeting the requirements of this section that are insured or initially endorsed for insurance on or after the date of enactment of the Housing Act of 1961, notwithstanding the provisions of paragraphs (1) and (2) of this subsection, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such paragraphs in cash or in debentures (as provided in the mortgage insurance contract), or may acquire a mortgage loan that is in default and the security therefor upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) 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. 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. The appropriate provisions of sections 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 paragraph, 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 so acquired (A) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Section 220 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, the Housing Fund, or the Fund shall be construed to refer to the Section 220 Housing Insurance Fund."

(h)(1) Section 223(a) of such Act is amended by striking out "213, or 222" each place it appears and inserting in lieu thereof "213, 220, 221, 222, 231, 232, or 233".

(2) Section 223(a)(7) of such Act is amended—

(A) by striking out "section 903 or section 908 of title IX" and inserting in lieu thereof "section 220, 221, 903, or 908"; and

(B) by striking out "insured under section 608 or 908".

(3) Section 223 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) With respect to any mortgage, other than a mortgage covering a one- to four-family structure, heretofore or hereafter insured by the Commissioner, and notwithstanding any other provision of this Act, when the taxes, interest on the mortgage debt, mortgage insurance premiums, hazard insurance premiums, and the expense of maintenance and operation of the project covered by such mortgage during the first two years following the date of completion of the project, as determined by the Commissioner, exceed the project income, the Commissioner may, in his discretion and upon such terms and conditions as he may prescribe, permit the excess of the foregoing expenses over the project income to be added to the amount of such mortgage, and extend the coverage of the mortgage insurance thereto, and such additional amount shall be deemed to be part of the original face amount of the mortgage."

(i) The first sentence of section 224 of such Act is amended to read as follows: "Notwithstanding any other provisions of this Act, debentures issued under any section of this Act with respect to a loan or mortgage accepted for insurance on or after thirty days following the effective date of the Housing Act of 1954 (except debentures issued pursuant to paragraph (4) of section 221(g)) shall bear interest at the rate in effect on the date the commitment to insure the loan or mortgage was issued, or the date the loan or mortgage was endorsed for insurance, or (when there are two or more insurance endorsements) the date the loan or mortgage was initially endorsed for insurance, whichever rate is the highest, except that debentures issued pursuant to section 220(f), section 220(h)(7), section 221(g), or section 233 may, at the discretion of the Commissioner, bear interest at the rate in effect on the date they are issued."

(j) Section 226 of such Act is amended by—

(1) striking out in the first sentence "222, or" and inserting in lieu thereof "222, 233, 234, or"; and

(2) striking out in the third sentence the words "that a written statement setting forth such estimate" and inserting in lieu thereof the following: "or on the basis of any other estimates of the Commissioner, that a written statement setting forth such estimate or estimates, as the case may be,".

(k) Section 227 of such Act is amended by—

(1) striking out in subsection (a) "or (vi) under section 810 if the mortgage meets the requirements of subsection (f)" and inserting in lieu thereof "(vi) under section 233 if the mortgage meets the requirements of subsection (b)(2), or (vii) under section 810 if the mortgage meets the requirements of subsection (f)";

(2) striking out in subsection (b) the word "value" and inserting in lieu thereof "value, cost,"; and

(3) striking out in the second and third sentences of subsection (c) "section 221 if the mortgage meets the requirements of paragraph (4) of subsection (d) thereof, or section 231," and inserting in lieu thereof "section 221(d)(3), section 221(d)(4), section 231, or section 233(b)(2),".

(l) Section 229 of such Act is amended to read as follows:

"VOLUNTARY TERMINATION OF INSURANCE

"SEC. 229. Notwithstanding any other provision of this Act and with respect to any loan or mortgage heretofore or hereafter insured under this Act, except under section 2, the Commissioner is authorized to terminate any insurance contract upon request by the borrower or mortgagor and the financial institution or mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance Funds and Accounts. Upon such termination, borrowers and mortgagors and financial institutions and mortgagees shall be entitled to the

rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured loan or mortgage.

(m) Section 231(c)(2) of such Act is amended to read as follows:

"(2) not exceed, for such part of such property or project as may be attributable to dwelling use (excluding exterior and land improvements as defined by the Commissioner), $2,250 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit): *Provided*, That as to projects to consist of elevator type structures, 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 $9,000 per family unit to not to exceed $9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed $1,250 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;".

TITLE VII—OPEN SPACE AND LAND DEVELOPMENT

Part 1—Permanent open land

Findings and Purpose

SEC. 701. (a) The Congress finds that a combination of economic, social, governmental, and technological forces have caused a rapid expansion of the Nation's urban areas, which has created critical problems of service and finance for all levels of government and which, combined with a rapid population growth in such areas, threatens severe problems of urban and suburban living, including the loss of valuable open-space land in such areas, for the preponderant majority of the Nation's present and future population.

(b) It is the purpose of this part to help curb urban sprawl and prevent the spread of urban blight and deterioration, to encourage more economic and desirable urban development, and to help provide necessary recreational, conservation, and scenic areas by assisting State and local governments in taking prompt action to preserve open-space land which is essential to the proper long-range development and welfare of the Nation's urban areas, in accordance with plans for the allocation of such land for open-space purposes.

Federal Grants

SEC. 702. (a) In order to encourage and assist in the timely acquisition of land to be used as permanent open-space land, as defined herein, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to make grants to State and local public bodies acceptable to the Administrator as capable of carrying out the provisions of this part to help finance the acquisition of title to, or other permanent interests in, such land. The amount of any such grant shall not exceed 20 per centum of the total cost, as approved by the Administrator, of acquiring such interests: *Provided*, That this limitation may be increased to not to exceed 30 per centum in the case of a grant extended to a public body which (1) exercises responsibilities consistent with the purposes of this part 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.

(b) The Administrator may make grants under this part aggregating not to exceed $100,000,000. 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 part.

(c) No grants under this part shall be used to defray development costs or ordinary State or local governmental expenses, or to help finance the acquisition by a public body of land located outside the urban area for which it exercises (or participates in the exercise of) responsibilities consistent with the purpose of this part.

(d) The Administrator may set such further terms and conditions for assistance under this part as he determines to be desirable.

(e) The Administrator shall consult with the Secretary of the Interior on the general policies to be followed in reviewing applications for grants. To assist the Administrator in such review, the Secretary of the Interior shall furnish him appropriate information on the status of recreational planning for the areas to be served by the open-space land acquired with the grants. The Administrator shall provide current information to the Secretary from time to time on significant program developments.

Planning Requirements

SEC. 703. (a) The Administrator shall make grants for the acquisition of land under this part only if he finds that (1) the proposed use of the land for permanent open space is important to the execution of a comprehensive plan for the urban area meeting criteria he has established for such plans, and (2) a program of comprehensive planning (as defined in section 701(d) of the Housing Act of 1954) is being actively carried on for the urban area.

(b) In extending financial assistance under this part, the Administrator shall take such action as he deems appropriate to assure that local governing bodies are preserving a maximum of open-space land, with a minimum of cost, through the use of existing public land; the use of special tax, zoning, and subdivision provisions; and the continuation of appropriate private use of open-space land through acquisition and leaseback, the acquisition of restrictive easements, and other available means.

Conversions to Other Uses

SEC. 704. No open-space land for which a grant has been made under this part shall, without the approval of the Administrator, be converted to uses other than those originally approved by him. The Administrator shall approve no conversion of land from open-space use unless he finds that such conversion is essential to the orderly development and growth of the urban area involved and is in accord with the then applicable comprehensive plan, meeting criteria established by him. The Administrator shall approve any such conversion only upon such conditions as he deems necessary to assure the substitution of other open-space land of at least equal fair market value and of as nearly as feasible equivalent usefulness and location.

Technical Assistance, Studies, and Publication of Information

SEC. 705. In order to carry out the purpose of this part 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.

Definitions

SEC. 706. As used in this part—

(1) The term "open-space land" means any undeveloped or predominantly undeveloped land, including agricultural land, in an urban area, which has (A) economic and social value as a means of shaping the character, direction, and timing of community development; (B) recreation value; (C) conservation value in protecting natural resources; or (D) historic, scenic, scientific, or esthetic value.

(2) The term "urban area" means any area which is urban in character, including those surrounding areas which, in the judgment of the Administrator, from an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities.

(3) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

Part 2—FHA insurance for site preparation and development

Land Development Insurance

SEC. 710. The National Housing Act is amended by adding at the end thereof the following new title:

"TITLE X—LAND DEVELOPMENT INSURANCE

"SEC. 1001. As used in this title—

"(1) the term 'mortgage' means a lien on real estate in fee simple, or on the interest of either the lessor or lessee thereof (A) under a lease for not less than ninety-nine years which is renewable, or (B) under a lease having a period of not less than fifty years to run from the date the mortgage was executed; and the term 'first mortgage' includes such classes of first liens as are commonly given to secure advances (including but not being limited to advances during construction) on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located, together with the credit instrument or instruments, if any, secured thereby, and may be in the form of trust mortgages or mortgage indentures or deeds of trust securing notes, bonds, or other credit instruments;

"(2) the terms 'mortgagee', 'mortgagor', and 'State' shall have the same meaning as when used in section 207 of this Act;

"(3) the term 'improvements' means water lines and water supply installations, sewer lines and sewer disposal installations, utilities, pavements, curbs, gutters, and other installations or work, whether on or off the site, (A) which are necessary or desirable to convert raw land in an urban or suburban community into building sites primarily for the construction of structures designed for residential use, and (B) which are in keeping with applicable governmental requirements and with standards not lower than those reflected in general practice in the community; and

"(4) the term 'development' means the process of making and installing improvements.

"SEC. 1002. (a) The Commissioner is authorized upon application by the mortgagee to insure under this title as hereinafter provided any first mortgage (including advances during construction) which is eligible for insurance as hereinafter provided and, upon such terms and conditions as he may prescribe, to make commitments for the insurance thereof prior to the date of insurance; but no mortgage shall be insured under this

title after July 1, 1963, except pursuant to a commitment to insure issued before such date.

"(b) To be eligible for mortgage insurance under this title a mortgage shall—

"(1) cover the land and improvements unless they are in public ownership or are excepted or released from the lien of the mortgage with the approval of the Commissioner;

"(2) involve an original principal obligation in an amount not to exceed $2,500,000 and not to exceed 75 per centum of the estimated value of the security covered thereby as of the completion of the development to be financed with the proceeds of the mortgage; but in no event shall any such mortgage exceed 75 per centum of the estimated value of the land as of the date of commitment plus 75 per centum of the estimated cost of development thereof;

"(3) have a maturity satisfactory to the Commissioner but not to exceed five years;

"(4) contain repayment provisions satisfactory to the Commissioner and bear interest (exclusive of premium charges for mortgage insurance) at a rate satisfactory to the Commissioner, but not to exceed 6 per centum per annum, on the amount of the principal obligation outstanding at any time;

"(5) contain such other conditions as the Commissioner may prescribe with respect to protection of the security, payment of taxes, delinquency charges, prepayment, additional and secondary liens, release of a portion or portions of the mortgaged property from the lien of the mortgage, and other matters as the Commissioner may in his discretion prescribe; and

"(6) be executed by, and cover property held by, a mortgagor approved by the Commissioner and have been made to and be held by a mortgagee approved by the Commissioner.

"(c) No mortgage shall be accepted for insurance under this title unless the Commissioner finds that—

"(1) it will aid in the development of land owned by or to be acquired by the mortgagor, and the development of such land is economically sound;

"(2) the assistance provided by this title is needed to meet the housing and related needs of moderate income families; and

"(3) the mortgagor will develop the land under a schedule reasonably assuring the timely completion of all desirable neighborhood facilities and either will construct upon the land, within a reasonable period after its development, structures primarily for residential use by moderate income families, or will make the developed land available to other persons for such purpose; and the Commissioner shall require the mortgagor to enter into such agreements or covenants as the Commissioner in his discretion may deem appropriate to assure that such construction will take place within such period.

"(d) The mortgage may include a provision permitting the mortgagee to make advances subsequent to full disbursement of the original principal: *Provided*, That the total amount of such advances outstanding at any one time shall not exceed the face amount of the mortgage.

"(e) The Commissioner shall collect a premium charge for the insurance of mortgages under this title, but in the case of any mortgage such charge shall not be less than an amount equivalent to one-half of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such charge shall be payable by the mortgagee, either in cash or in debentures of the Land Development Insurance Fund issued by the Commissioner under this title at par plus accrued interest. In addition to the premium charge herein provided for, the Commissioner is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of the property offered for insurance and for the inspection of such property and the development thereof during construction, but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

"(f) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this Act shall be applicable to mortgages insured under this title, except that as applied to such mortgages (1) all references therein to the Housing Insurance Fund or the Housing Fund shall be construed to refer to the Land Development Insurance Fund, and (2) all references therein to section 207 or 210 shall be construed to refer to this section.

"(g) There is hereby created a Land Development Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title. The Commissioner is hereby authorized and directed to transfer immediately to such fund the sum of $10,000,000 from the War Housing Insurance Fund created by section 602 of this Act, which sum shall be reimbursed to the War Housing Insurance Fund from appraisal and inspection fees and charges hereafter collected under this title. General expenses of operation of the Federal Housing Administration under this title may be charged to the Land Development Insurance Fund.

"SEC. 1003. Any contract of insurance executed by the Commissioner under this title with respect to a mortgage shall be conclusive evidence of the eligibility of such mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

"SEC. 1004. Nothing in this title shall be construed to exempt any real property acquired and held by the Commissioner under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

"SEC. 1005. The Commissioner is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title.

"SEC. 1006. Notwithstanding any other provision of this Act, no mortgage shall be finally endorsed for insurance under this title nor shall any advance thereon during construction be insured under this title unless the mortgagor has executed an agreement in form and content satisfactory to the Commissioner that he will certify to the Commissioner (and shall submit such records and data in support of such certification as the Commissioner shall prescribe) the actual cost of the development of the land (being the cost of constructing the on-site and off-site improvements reasonable and necessary for such development, including amounts paid for labor, materials, construction contracts, organizational and legal expenses, professional fees, a reasonable allowance for builders' profit if the mortgagor is also the builder as defined by the Commissioner, and other items of expense approved by the Commissioner). Notwithstanding any other provisions of this title (1) no mortgage shall be finally endorsed for insurance if the principal amount thereof exceeds 75 per centum of the Commissioner's estimate of the value of the land when the proposed development is completed and (2) no advance on such mortgage shall be insured if such advance, when added to previous insured advances, exceeds 75 per centum of the Commissioner's estimate of the value of the land as of the date of commitment plus 75 per centum of the cost of such development to the date of such disbursement as shown by the mortgagor's certificate; but in no event shall more than 90 per centum of the principal obligation of the loan be disbursed prior to the completion of the development contemplated by the Commissioner's commitment. The mortgagor shall also agree that, in the event the final amount of the mortgage or the amount of any advance exceeds the amount permitted under clause (1) or (2) (as the case may be) of the preceding sentence, he will reduce the mortgage or the insured advance by the amount of the excess."

Conforming amendments

SEC. 711. (a) Section 219 of the National Housing Act (as amended by section 612(f) of this Act) is amended by inserting after "the Section 221 Housing Insurance Fund," the following: "the Land Development Insurance Fund,".

(b) Section 215 of such Act is amended by striking out "or title IX" and inserting in lieu thereof "title IX, or title X".

(c) The first paragraph of section 24 of the Federal Reserve Act is amended by inserting before the last sentence the following new sentence: "Notwithstanding the limitations and restrictions in this section, any national banking association may make loans for site preparation and development which are secured by mortgages insured under title X of the National Housing Act."

TITLE VIII—FARM HOUSING

SEC. 801. (a) Section 502(b)(1) of the Housing Act of 1949 is amended by striking out "and such additional security" and inserting in lieu thereof the words "or such other security".

(b) Sections 511, 512, and 513 of such Act are each amended by striking out "1961" and inserting in lieu thereof "1965".

SEC. 802. The second sentence of section 511 of the Housing Act of 1949 is amended by striking out "$450,000,000" and inserting in lieu thereof "$650,000,000".

SEC. 803. (a) Section 501(a) of the Housing Act of 1949 is amended by inserting "(1)" before "to owners of farms", and by inserting before the period at the end thereof the following: ", and (2) to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations".

(b) Section 501(c) of such Act is amended by inserting before the semicolon at the end of clause (1) the following: ", or that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations."

(c) Section 501 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) As used in this title (except in sections 503 and 504(b)), the terms 'farm', 'farm dwelling', and 'farm housing' shall include dwellings or other essential buildings of eligible applicants."

SEC. 804. (a) Title V of the Housing Act of 1949 is further amended by adding at the end thereof the following new section:

"INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

"SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm, any association of farmers, any State or political subdivision thereof, or any public or private nonprofit organization for the purpose of

providing housing and related facilities for domestic farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

"(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

"(2) no such loan shall be insured if it bears interest at a rate in excess of 5 per centum per annum;

"(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

"(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

"(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

"(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (a), (b), and (c) of such Act (7 U.S.C. 1005c (a), (b), and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

"(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

"(2) the notes and security therefore acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

"(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

"(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

"(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed $25,000,000 in any one fiscal year.

"(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

"(f) As used in this section—

"(1) the term 'housing' means (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement; and

"(2) the term 'related facilities' means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

"(3) the term 'domestic farm labor' means citizens of the United States who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States."

(b) Title V of such Act is further amended—

(1) by inserting in section 506(a) "and section 514," immediately after "501 to 504, inclusive," each place it appears; and

(2) by striking out "under this title" in section 507 and inserting in lieu thereof "under sections 501 to 504, inclusive".

(c) The first paragraph of section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended by inserting after "the Act of August 28, 1937, as amended" the following: ", or title V of the Housing Act of 1949, as amended".

SEC. 805. (a) Section 506 of the Housing Act of 1949 is amended—

(1) by striking out the last sentence of subsection (a);

(2) by redesignating subsection (b) as subsection (e); and

(3) by inserting after subsection (a) the following new subsections:

"(b) The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purpose of stimulating construction, improving the architectural design and utility of such dwellings and buildings, and utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

"(c) The Secretary is further authorized to carry out a program of research, study, and analysis of farm housing in the United States to develop data and information on—

"(1) the adequacy of existing farm housing;

"(2) the nature and extent of current and prospective needs for farm housing, including needs for financing and for improved design, utility, and comfort, and the best methods of satisfying such needs;

"(3) problems faced by farmers and other persons eligible under section 501 in purchasing, constructing, improving, altering, repairing, and replacing farm housing;

"(4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and

"(5) any other matters bearing upon the provision of adequate farm housing.

"(d) To the extent determined by him to be advisable, the Secretary may carry out the research and study programs authorized by subsections (b) and (c) through grants made by him on such terms, conditions, and standards as he may prescribe to land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C. 301–308) or through such other agencies as he may select."

(b) Section 513 of such Act is amended by striking out "and (c)" and inserting in lieu thereof the following: "(c) not to exceed $250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961, and ending June 30, 1965; and (d)".

TITLE IX—MISCELLANEOUS

Home Owners' Loan Act of 1933

SEC. 901. (a) Section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out "in loans insured under title I of the National Housing Act, as amended," in the first sentence of the second paragraph and inserting in lieu thereof "in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act,".

(b) Section 5(c) of such Act is further amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection except the area restriction and the $35,000 limitation, any such association may invest an amount not exceeding at any one time 5 per centum of its assets in nonamortized loans which are made on the security of first liens upon homes or combinations of homes and business property and which (1) are repayable within a period of eighteen months, (2) provide that interest payments be made at least semiannually, and (3) do not exceed 80 per centum of the appraised value of the property involved. For the purposes of this paragraph the term 'first liens' includes the assignment of the whole of the beneficial interest in a trust having a corporate trustee whereunder real estate held in the trust can be subjected to the satisfaction of the obligation or obligations secured with the same priority as a first mortgage, a first deed of trust, or a first trust deed in the jurisdiction where the real estate is located."

(c) Section 5(c) of such Act is further amended by adding at the end thereof (after the paragraph added by subsection (b) of this section) the following new paragraph:

"Without regard to any other provision of this subsection except the area restriction, any such association is authorized to invest an amount not exceeding at any one time 5 per centum of its assets in amortized loans or participating interests therein which are secured by first liens upon improved real estate used to provide housing facilities for the aging, subject to the following qualifications:

"(1) each such loan shall be repayable within a period of 30 years;

"(2) no such loan shall exceed 90 per centum of the appraised value of the improved real estate given as security therefor; and

"(3) each such loan—

"(A) shall be made upon and secured by real estate which is improved by housing accommodations, individual or multiple, designed for the purpose of providing accommodations for occupancy by aging persons, or of providing rest homes or nursing homes, so constructed or altered as to be suitable primarily for the occupancy of persons over fifty-five years of age and limited principally to the occupancy of such persons; and

"(B) shall be made for the implementation of the purpose described in clause (A)."

(d) Section 5(c) of such Act is further amended by adding at the end thereof (after the paragraph added by subsection (c) of this section) the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in certificates of beneficial interest issued by any urban renewal investment trust. For the purposes of this paragraph the term 'urban renewal investment trust' means an unincorporated trust established by written agreement between the authorized officers of two or more savings institutions the savings or share accounts of which are insured by an agency of the Federal Government, which agreement—

"(1) expressly limits the purposes of the trust and the investment powers of the trustees to the elimination or prevention of the

spread of slums and blighted or deteriorated or deteriorating areas and the redevelopment, renewal, rehabilitation, or conservation of such areas by private enterprise through financing the purchase or rehabilitation of real property, or the construction of improvements thereon, designed or usable for industrial, commercial, or housing purposes within the confines of an urban renewal area (as defined in section 110 of the Housing Act of 1949);

"(2) expressly limits the beneficial ownership of the trust to savings and loan associations or banks the savings or share accounts of which are insured by an agency of the Federal Government;

"(3) provides that such beneficial ownership be evidenced by certificates of beneficial interest, which certificates shall have first claim at all times on the assets of the trust without preference between the holders thereof, and shall be fully transferable and assignable between any such banks and savings and loan associations at all times; and

"(4) expressly provides that it shall be effective and binding between the parties thereto only upon being approved by the board.

Any association chartered under the provisions of this section may become a party to any urban renewal investment trust. The Federal Home Loan Bank Board shall prescribe such rules and regulations, not inconsistent with the provisions of this paragraph, as it may deem necessary for the proper establishment of urban renewal investment trusts, for the effective operation thereof, and the participation in such operations of eligible institutions either as parties, as trustees, or as the holders of certificates of beneficial interest."

Federal Reserve Act

SEC. 902. Section 24 of the Federal Reserve Act is amended by inserting at the end of the next to the last paragraph a new sentence as follows: "Home improvement loans which are insured under the provisions of section 203(k) or 220(h) of the National Housing Act may be made without regard to the first lien requirements of this section."

Voluntary home mortgage credit program

SEC. 903. Section 610(a) of the Housing Act of 1954 is amended by striking out "1961" and inserting in lieu thereof "1956".

Disposal of Passyunk war housing project

SEC. 904. Section 802(a) of the Housing Act of 1959 is amended by striking out "five" in the first sentence and inserting in lieu thereof "seven".

Hospital construction

SEC. 905. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out "1960" and inserting in lieu thereof "1962".

(b) Section 605(c) of such Act is amended by striking out "and June 30, 1961" and inserting in lieu thereof "June 30, 1961, and June 30, 1962".

Payment in lieu of taxes by Holyoke Housing Authority

SEC. 906. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve the payment in lieu of taxes, in the amount of $9,933.47, made by the Holyoke Housing Authority to the city of Holyoke, Massachusetts, under section 10(h) of the United States Housing Act of 1937, for its fiscal year ended December 31, 1956.

Administrative

SEC. 907. Section 502 of the Housing Act of 1948 is amended by—

(1) striking out in subsection (c)(3) the first proviso, the colon thereafter, and the words *"And provided further,"* and inserting in lieu thereof *"Provided"*; and

(2) adding at the end thereof the following subsection;

"(d) The Housing and Home Finance Administrator, the Federal Housing Commissioner, and the Public Housing Commissioner, respectively, may utilize funds made available to them for salaries and expenses for payment in advance for dues or fees for library memberships in organizations (or for membership of the individual librarians of the respective agencies in organizations which will not accept library membership) whose publications are available to members only, or to members at a price lower than to the general public, and for payment in advance for publications available only upon that basis or available at a reduced price on prepublication order."

Mr. FULTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor because a man's name has been mentioned earlier in the debate for whom I have great respect. He is a good friend of mine. He has been the good mayor of the city of Los Angeles, Calif., Mr. Norris Poulson, a former Member of this House. I like Norris. I think he is a grand guy.

I believe Norris Poulson made a good fight for reelection as mayor against our friend, Sam Yorty, also a former Member of the House, in the last election, but Sam won. Out of over a million votes cast, Norris Poulson lost only by about a 10,000- to 20,000-vote margin which is a really close fight and a creditable showing for both candidates. I believe Norris Poulson has been a good mayor. I wrote to Norris and congratulated him on the good fight he made, and when he lost I felt that was the decision of the people of Los Angeles and we should all respect that decision.

I must say when we look into California politics from the Pennsylvania point of view, that, to say the least, they are peculiar. I understand Sam Yorty, the Democratic candidate, or should I say the mayor candidate personally of Democratic persuasion, had backed for President not the present President, Mr. Jack Kennedy, a former Congressman here, but had backed another former Congressman here, Mr. Richard Nixon of California, the Republican Vice President. Mirabile dictu.

I would say that the Los Angeles mayor's election was quite a mixed situation and not between Democrats and Republicans, because it was mixed as to what the national position of the candidates was, as well as their local position.

For the terms he has served Norris Poulson has been a good mayor. As one of his former associates, I want him to know that we are proud of the graduates of this House and of his record. I believe he did an excellent job. I hope Norris will soon be in fine health and spirits, because during the campaign he had a throat infection and lost his voice and was unable to make campaign speeches. It is almost worse than death, as every one of us knows, to lose one's voice during a hard campaign, and this was a real disadvantage.

I hope the references to Norris Poulson in the discussions we have had on the floor today are remembered as commendable statements of him.

Mr. Chairman, I yield back the balance of my time.

Mr. O'NEILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'NEILL: On page 106 line 6, after "not more than" strike out the word "five" and insert the word "seven" so as to read "not more than seven years."

Mr. O'NEILL. Mr. Chairman, this comes under the urban renewal part of the bill. I have already spoken to the chairman of the committee. It affects the city of Cambridge, the Universities of Harvard and MIT, and I believe one or two other cities in the United States.

Section 112 became effective on September 23, 1959. For much of the period since its enactment, the program was handicapped by a general policy of reducing commitments for Federal expenditures, efforts to stretch out available capital grant authorizations, and, more recently, lack of any capital grant authorization. This has resulted in inability, due to circumstances entirely beyond the control of any local public renewal agency, for many cases to reach authorization for loan or capital grant contract during this 2-year period. This means, of course, a loss of credit for expenditures made during a 2-year period as a result of circumstances over which neither the educational institutions nor the local public renewal agencies had any control.

Mr. RAINS. Mr. Chairman, we have had an opportunity to go over this amendment and, so far as I personally am concerned I can see no objection to it.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. RAINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS: Page 131, strike out lines 2 and 3 and insert the following:

"SEC. 611. (a)(1) Section 810(b) of the National Housing Act is amended (A) by striking out "the Secretary of Defense or his designee shall have certified to the Commissioner that", and (B) by striking out the last sentence.

"(2) Section 810(d) of such Act is amended (A) by striking out 'until advised by the Secretary of Defense or his designee' and inserting in lieu thereof 'until he finds', and (B) by striking out ', as evidenced by certification' and all that follows and inserting in lieu thereof a period.

"(3) Section 810(l) of such Act is repealed."

Mr. RAINS. Mr. Chairman, this amendment is offered at the instance of the chairman and the members of the Armed Services Committee. The original intent of the section was to have the Secretary of Defense certify the need of this housing program near service bases. This would strike out any obligation on the part of the Secretary to participate and would leave it a straight FHA program of rental housing in those areas where specifically needed. It re-

moves any action by the Secretary of Defense.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: Page 111, after line 6, insert the following:

"SEC. 315(a). 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 related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator and which he determines has been satisfactorily enforced, with regard for avoiding undue hardship, 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 97, line 13, strike out "301" and insert "302".

Mr. WIDNALL. Mr. Chairman, I was very pleased a few minutes ago to hear the gentleman from Indiana [Mr. MADDEN] refer to an ad that had been placed by the Caterpillar Tractor Co. which contained in it a very wise statement, and undoubtedly a true statement, in which it said that 30 million people will be living in slums unless something is done about it. They did not say that public housing was the answer. The answer is having and enforcing minimum standards housing codes within the various cities, because as it is today we are multiplying our slums faster than we are curing them, and I do not believe any amount of public housing will ever cure the slums in this country unless we prevent future slums from being formed. We have to get at the bottom of it and prevent the decay and blight that has been taking place.

Mr. Chairman, my amendment is very simple. It would require cities applying for Federal urban renewal or public housing grants to have a minimum standard housing code on their statute books and a record of enforcement for at least a year prior to application.

Under present law, communities applying for Federal aid for these programs must submit a workable program setting out the means by which they expect to eliminate the spread of urban slums and blight. Yet a city can get Federal money for these high sounding goals even though they have not adopted any kind of housing code to prevent the spread of slums and blight. Enforcement of a housing code is the one thing which communities can do on their own to show they are as interested in getting rid of slums as they are in getting Federal financial assistance.

Mr. Chairman, I was shocked and amazed to see in the hearings before the House Housing Subcommittee the data supplied by the Housing Administrator on pages 156 and 158 of the hearings, showing public housing annual contributions contracts and urban renewal capital grants contracts which were signed with communities not having minimum standards housing codes. Why should communities be eligible for taxpayers' money for projects designed to combat slums, when they themselves do not even have the initiative to enact and enforce a housing code?

The data referred to show that between July 1, 1959, and March 31, 1961, annual contribution contracts were executed in 191 communities, and 102 of these had not adopted a housing code at the time the contracts were executed. These 102 communities represent over 50 percent of all public housing contracts executed in the time specified.

Between these same dates, July 1, 1959, and March 31, 1961, urban renewal loan and grant contracts were signed with 136 communities of which 16 did not have housing codes at the time the contracts were signed. Although the number of communities is small, the total amount of money involved in these planning advances, loans, and capital grants is approximately $89 million.

Mr. Chairman, we could spend the entire Federal budget on urban renewal programs and public housing and not halt the spread of slums.

The distinguished chairman of the House Housing Subcommittee before the House Rules Committee hit the nail on the head when he said that "slum ownership is profitable." This amendment would make slums unprofitable.

Slums can proliferate even as the Federal projects are being constructed. What is needed is housing code enforcement at the local level to start reducing this inventory of slum housing. Preliminary 1960 census figures show a 40 percent reduction in substandard housing since 1950. This amendment requiring communities to take the initiative before Federal funds are committed would accelerate this trend.

This amendment contains language which would permit a community to avoid undue hardship in enforcing a minimum standards housing code and still qualify for Federal assistance.

Mr. Chairman, we here in the House have been listening for the past 16 years to the pleas of those who want to do something about the slums. Let us make it clear once and for all time that if a community wants public housing or urban renewal capital grants, it must enforce a safety and sanitation housing code.

I urge the House and adopt this amendment which is, in every sense of the word, an antislum amendment.

I include in the RECORD as part of these remarks two editorials in support of this amendment, one from the Reading, Pa., Eagle of June 6, 1961. The editorial takes sharp issue with the other body for rejecting a similar amendment. Referring to the amendment as one "to discourage the perpetuality of slums," the editorial goes on to say:

It has long been the belief—and rightly so—that one of the main purposes of urban renewal and housing is to help get rid of substandard housing or slums.

It would be a sad and deplorable misuse of public housing and urban renewal loans and grants to encourage the growth of slums, so that they may be used as an excuse for more and more Government spending and Federal control.

The second editorial is from the Cedar Rapids, Iowa, Gazette:

[From the Reading (Pa.) Eagle, June 6, 1961]

WRONG SLUM SLANT

The Senate Banking and Currency Committee's rejection of an "antislum amendment" to the omnibus housing bill now before Congress has been labeled "tragic" by O. G. Powell, president of the National Association of Real Estate Boards.

He said the rejection "means that the American taxpayer will be required to pour untold billions of dollars into our communities for public housing and urban renewal, and slum landlords will be permitted to flourish and exact their profit."

Speaking at the recent convention of the Washington, D.C., real estate board in Bedford Springs, Pa., the NAREB president pointed out this will allow local city governments to permit the spread of slums on their own doorsteps and still be eligible for Federal urban renewal funds.

Disclosing that such an antislum amendment was recommended by NAREB in testimony last month before the Senate Housing Subcommittee, Mr. Powell expressed hope that the House of Representatives will react differently to such an amendment.

He emphasized that the proposed amendment would provide that no community would be eligible for public housing and urban renewal loans and grants until it had adopted a minimum standards housing code and was enforcing such a code.

"In other words," he said, "why should the Federal Government concern itself with helping a community solve a problem at its doorstep, if the community itself is not concerned enough to adopt a minimum standards housing code?"

He explained that NAREB was requesting that Congress put some teeth into a requirement that has been on statute books for 7 years—that a community have a workable program against the spread of slums before it can qualify for urban renewal or public housing.

Mr. Powell quoted these words from a report by Dr. Robert C. Weaver, Administrator of the administration's Housing and Home Finance Agency.

"Between July 1, 1959, and March 31, 1961, the Federal Government executed binding contracts for public housing in 191 communities. One hundred and two of these communities did not have a minimum housing code when these contracts were executed."

Mr. Powell then said, "I contend that the Public Housing Administration's executing these contracts certainly violated the spirit of the law—but then the PHA was so anxious to get public housing going in these communities that it was willing to overlook such an antislum requirement.

"Also between these dates, loans and grant contracts for urban renewal were executed for 136 communities. Sixteen of these had not adopted minimum housing codes by the date these binding contracts were executed.

"According to the record submitted to Congress, one of these cities had executed contracts for five projects involving an expenditure of Federal grants of almost $26 million. Yet it had not adopted a minimum standards housing code at the time those contracts were executed."

The NAREB spokesman noted from the report that one State, "a pivotal one in the last election," contained seven cities—none of which had minimum standards housing

codes—which were permitted to execute binding contracts for more than $13 million in urban renewal grants.

"Yet when the National Association of Real Estate Boards asked the Senate Banking and Currency Committee to make the adoption and enforcement of such a minimum standards housing code a prerequisite to public housing and urban renewal," he said, "the committee did not even give it serious consideration."

In conclusion, Mr. Powell issued this warning: "There is still a chance that the House of Representatives will react differently to such an amendment. If it does not, then I am afraid that slums will continue to grow in order that they may be used as the excuse for more and more Federal spending and Federal control."

We think the NAREB president has made some telling points for an amendment to discourage the perpetuality of slums.

It has long been the belief—and rightly so—that one of the main purposes of urban renewal and housing is to help get rid of substandard housing or slums.

It would be a sad and deplorable misuse of public housing and urban renewal loans and grants to encourage the growth of slums, so that they may be used as an excuse for more and more Government spending and Federal control.

[From the Cedar Rapids (Iowa) Gazette, May 31, 1961]

MINIMUM SAFEGUARD

The president of the National Association of Real Estate Boards is sharply critical of the Senate Banking and Currency Committee for rejecting an "antislum amendment" to the omnibus housing bill now before Congress, and the criticism strikes us as highly valid. The proposed amendment would have made adoption of a minimum-standard housing code a prerequisite to any city's participation in the public housing and urban renewal programs.

Leaders in many communities, including Cedar Rapids, have been proceeding on the assumption that such a housing code already is a legal prerequisite to participation in the urban renewal program. As a matter of fact, it probably is, and certainly it should be.

But the head of NAREB says 102 of 191 communities with which the Federal Government made binding contracts for public housing from July 1959 through March 1961 did not have such codes when the contracts were executed. He says the same was true of 16 of 136 communities which executed urban renewal contracts during the same period.

One of the obvious vulnerable spots of the Federal urban renewal program is the possibility that the available funds may be used for partisan political purposes to get votes in key areas. Surely a minimum safeguard against such abuse is firm assurance that a community that receives such funds already is making a reasonable effort to prevent further neglect of local housing.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was offered in the subcommittee and, I think, in the full committee, and was turned down. This is an ingenious method thought up—and I do not mean to be discourteous to my good friend from New Jersey—by those who would kill the urban renewal program. It would also add on a lot of redtape. It is an attempt to tell a city or small town to have a minimum property standard. Whose minimum property standard? They now have to have a workable program, which is set out by regulation, and the effort here is to add another restriction on top of what is already required. The people at the local level ought to have something to say about it. I do not understand exactly what you would do with a minimum property standards code. Over the years I remember, for instance in 1948, when I served on the housing committee headed by the then Congressman, Joe McCarthy, we traveled this country over, and our intent and purpose was to attempt to get a uniform housing code in America. The hearings cover 8 volumes; big, thick ones. We found out in the city of New Orleans, when the distinguished chairman of the Committee of the Whole was a member of the investigating committee, that you could not have the same kind of a code in New Orleans or Alabama that you would have in Vermont or Maine. It cannot be done. It is a matter that must be operated at the local level. This is an unworkable amendment.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

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

Mr. WIDNALL. There is nothing in this provision that will require a uniform code throughout the United States. This is something that must be approved by the Administrator, just like he is required to approve a workable program at the present time. May I say this, all throughout this bill you are giving more and more authority and discretion to the Administrator because you have confidence in him and what he will do. Now, here is another case where he would have the power and the discretion, and if you have that same confidence in him, there is no reason why this could not be a very sound and workable arrangement.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

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

Mr. MULTER. I think the manner in which the distinguished gentleman from New Jersey has not answered the question on what is a minimum standard points to the fatal defect of the amendment. There is no definition as to what is a minimum standard, and nobody can ever find out unless it is defined in the law, and if you do that in law, then you are writing into this bill the impossible.

Mr. RAINS. In addition to that, I believe the distinguished gentleman had a great deal to do with putting into effect his program. Apparently his minimum standards would not be any different from what they are today. In other words, how much more would a minimum standard be than a workable program, and who would know?

Mr. WIDNALL. Do not the FHA and the VA set up minimum standards and minimum requirements? Are they not required to be met before commitments are made? This can be done in exactly the same way. Sanitation and health, heaven knows, we all ought to be for.

Mr. RAINS. We have it now under regulation. We have had it for a long time, and it has worked. Why should something else be done about it?

Mr. Chairman, I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

The question was taken; and on a division (demanded by Mr. WIDNALL) there were—ayes 92, noes 141.

So the amendment was rejected.

Mr. RAINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS, of Alabama: On page 123, lines 14 and 15, delete subsection 604(d) and insert in lieu thereof the following:

"(d) Section 803(a) of the National Housing Act, as amended, is amended by striking out the last proviso and inserting in lieu thereof the following: '*And provided further*, That no more mortgages shall be insured under this title after October 1, 1962, except pursuant to a commitment to insure before such date, and not more than twenty-eight thousand family units shall be contracted for after June 30, 1959, pursuant to any mortgage insured under section 803 of this title after such date.' "

Mr. RAINS. Mr. Chairman, this is a conforming amendment that will make this bill as it relates to so-called Capehart housing conform exactly to the language that was enacted into law in the military public works bill. It is also the language, as I understand it, that they arrived at in conference. It is offered at the instance of the gentleman from Georgia, the chairman of the Committee on Armed Services [Mr. VINSON], and conforms to the law which we have already enacted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. RAINS].

The amendment was agreed to.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MCDONOUGH: Page 111, after line 6, insert the following:

"REQUIREMENT OF LOCAL APPROVAL

"SEC. 315. Section 101 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

" '(e) No contract shall be entered into for any loan or capital grant under this title after the date of enactment of the Housing Act of 1961 with respect to an urban renewal project in any locality unless and until such project has been approved by majority vote in a referendum of all the residents of such locality.' "

Mr. McDONOUGH. Mr. Chairman, the chairman of the committee a moment ago referred to States rights. This amendment gives the cities a little right to determine whether they will have a renewal project in their area, whether Federal funds will be permitted to be used. There are a number of cities in which urban renewal is now operating where the people of these cities wish they had had an opportunity to express themselves before they permitted the urban renewal project to start.

If a city is considering a bond issue for the construction of a sewage project or a water project or many other projects, there are requirements for a referendum

by the people before such a project is initiated. Of course, I know that where there is the desire to expend Federal funds and where there are bureaucrats, they are educating the cities on how to obtain Federal funds for urban renewal projects. Nevertheless, there are cities where urban renewal has become more or less a revolution and in some cases a disaster to the people, because it is not only a fiscal upset to the community, it is a social upset to the community where these people have to be replaced in other types of housing, where there is resistance in the courts against condemnation proceedings, the acquisition of land and property, where there is contention between the people who are in the urban renewal projects and do not want to conform to the plan that the Federal planners have outlined, and the only authority that has been granted for the use of Federal funds in those projects is by the governing body by resolution.

We do have basic law where if a referendum is taken to oppose public housing, no public housing can be built in that area.

Urban renewal is getting to be a big project, a big obligation on the part of many cities. A lot of Federal funds are being used in that connection. I think the people ought to have the opportunity to express themselves before they enter into such a project.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from Illinois.

Mr. YATES. I was not clear about the import of the gentleman's amendment. Is it his intention that the referendum apply to the area which is the subject of the urban renewal program, or to the entire city?

Mr. McDONOUGH. To the city.

Mr. YATES. The entire city?

Mr. McDONOUGH. That is right.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

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

Mr. MULTER. Do I correctly understand that the amendment calls for this referendum in a special election?

Mr. McDONOUGH. That would be up to the governing body setting up a special election.

Mr. MULTER. Can the gentleman give us any idea what it would cost to put this on the ballot in a city of 100,000 or in a city of half a million people?

Mr. McDONOUGH. I have not the slightest idea of what it would cost. It is sometimes costing the people a lot of money to let a renewal project go ahead.

Mr. MULTER. In a city like New York it would cost several hundred thousand dollars to conduct such a referendum.

Mr. McDONOUGH. It always costs more to do anything in New York City.

Mr. TABER. Mr. Chairman, will the gentleman yield?

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

Mr. TABER. It would require $400 million to build the kind of parks in Greater New York.

Mrs. DWYER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California [Mr. McDONOUGH]. I do so as a convinced and longtime supporter of urban renewal, in the conviction that a referendum requirement could be one of the most effective ways of strengthening the program.

As I indicated in my remarks to the House yesterday, there is increasing concern among many of us that in specific instances urban renewal projects have been moving away from earlier concepts and objectives approved by Congress. The cooperation and support of the people of a community depend on information and on an understanding of the purposes and means of urban redevelopment. It requires that the people be taken into the confidence of the city planners and informed, step by step, of what is proposed to be done in the community.

In too many cases, however, city planners and local officials have adopted what seems to be an excessively professional attitude toward urban redevelopment. That attitude reflects a belief that professional planners have the answers and the people should be wise enough to accept those answers without questioning them.

Certainly, Mr. Chairman, city planning and urban redevelopment are professional undertakings of the highest order, but they cannot be divorced from popular opinion or conducted in an ivory tower shut off from the view of the people. Nothing is of more vital and immediate personal concern to people than their homes. The social, financial, and emotional investment which people have in the houses and neighborhoods in which they live exceeds almost any other consideration. This is a fact which the professionals in the field of urban redevelopment must recognize.

In my remarks yesterday I referred to the Pearl Street urban renewal project in Elizabeth, N.J. It is a classic case of local discord arising from the failure to achieve an early understanding of the objectives of urban renewal. For 4 years, the people of the area have fought this project to a standstill. They have done so because from the very beginning local officials failed to convince them that their neighborhood was blighted, that it needed comprehensive redevelopment as opposed to other areas of blight, or that the redevelopment plan required the total elimination of all the houses in the area and their replacement by large luxury apartment buildings. In fact, a review of the 4-year battle reveals that city officials made little effort to inform the people of their plans or persuade them of the need for the project.

The amendment of the gentleman from California, I believe, will do much to prevent such situations from developing in the future. To require a referendum on urban renewal projects is to consult the people of a community. To win that referendum, local officials must seek the understanding and cooperation of the people. Knowing that a referendum must be held, local officials will have a powerful incentive to enlist popular cooperation at an early stage of the planning and to assure continued cooperation by informing the people at every step of the project's development.

We often preach, Mr. Chairman, about the advantages of democracy. Why, then, do we so often act as though we feared and distrusted democracy in action? Local democracy, in the sense of real popular participation in community action, is still the finest form of government. Democracy makes demands and presents obstacles. But when the demands have been met and the obstacles overcome, a stronger and better community will be the result.

Mr. MOOREHEAD of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. MAGNUSON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MAGNUSON. Mr. Chairman, I support H.R. 6028, the Housing Act of 1961.

Today, there are millions of American families living in substandard, inadequate and dilapidated housing, forced by low incomes to reside in rural hovels or city tenements. Here they must raise their children. For many of these families the only hope that they will ever be able to occupy decent homes is the low-rent public housing program.

Nor are the problems of inadequate housing limited to the working poor. Many of our senior citizens, who are no longer able or permitted to work, find it impossible to acquire accommodations suitable to their special needs at rates they can afford.

Many students suffer equally from an incapacity to obtain housing to meet their requirements, modest though they may be. Each shares in common an inadequate income. This vacuum is filled, at least in part, by the provisions of H.R. 6028.

In part, the problem of lack of housing stems from lack of opportunity for full employment. It is the contention of organized labor, and in this, I quite concur, that unemployed and underemployed workers will benefit economically from the measures proposed within this legislation. Programs designed to rebuild our aging cities and to provide homes for the American people will also mean jobs in the factories and at the building site. It provides a stimulus to the lumber industry, to materials producers, and in the allied industries which depend upon homebuilding for a market.

Throughout the bill, emphasis is placed upon planning and local initiative. Comprehensive areawide planning for orderly urban growth is the keynote. The open-space provisions encourage the conservation of natural areas for recreational and other public purposes. Local initiative and planning responsibility are retained throughout, with incentives to stimulate local action where desirable—but always the initiative remains with local people.

The bill is comprehensive, encompassing separate and diversified programs. I have reservations and doubts with regard to particular aspects of the

bill. Some doubt remains with regard to financing arrangements. However, the bill at large appears sound and vitally important for the national welfare. I support it and urge its acceptance by this body.

There are three particularly important portions of the bill which I should like to recommend to the House for its consideration and support. They are: Under title II, housing for the elderly; title IV, college housing; and under title VII, the provisions for permanent "open space" areas.

HOUSING FOR THE ELDERLY

One of the most urgent needs in the housing field is the provision of accommodations for our senior citizens, suitable to their special needs and within their somewhat limited means. Title II of the general housing bill extends and enlarges the program for the elderly. I urge its acceptance.

The bill, as reported from committee, would increase the provision of direct loans to nonprofit corporations including consumer cooperatives from $50 million to $100 million. These loans may extend over a 50-year period and bear a minimal interest rate—presently 3½ percent. The 50-unit ceiling imposed by the administration was lifted in January of this year. With the availability of additional funds, we may hope for a speedup in the development of this badly needed housing. I am happy to note that the committee has reduced the minimum age for occupancy eligibility from 62 to 60 years of age.

Since the direct loan program was activated in July of 1960, there have been 22 project approvals, 3 of which are located in the State of Washington: the Lidon Foundation, Seattle; Mid-Columbia Manor, Vancouver; and the Lodoro Foundation, Olympia. These 3 are small projects, in conformity with the administration ruling, the largest being 50 units.

The housing needs of the elderly are urgent and specialized. This, I cannot emphasize strongly enough. As many of our senior citizens are on small pensions or fixed incomes, one must scale down rentals to a minimum when providing housing. The Fresno Senior Citizens' Village in California, which because of its size—557 units—was unable to benefit under the direct loan program, is able to provide an efficiency unit for $70 and a one-bedroom apartment for $80 a month. Mid-Columbia Manor in Vancouver, Wash., which fell under the direct loan program, proposes to do considerably better, to provide housekeeping facilities for between $50 and $52 per month. But what of the people who can't be accommodated or who can't afford the higher rents?

It is my sincere hope that Congress will give full consideration to the problems facing our senior citizens when voting upon title II of this bill.

COLLEGE HOUSING

Title IV of the general housing act provides an authorization of $300 million a year for the next 4 years for college housing, plus increased funds for 2 dining halls and cafeterias, student centers, and for the housing of student nurses and interns. This program is of vital importance to our expanding system of higher education.

Mr. Chairman, the Housing Act of 1950 authorized the Housing Administrator to make loans to institutions of higher learning to provide housing and related facilities for students and faculty. These loans were to be of long duration and were to carry low-interest rates. Since the inauguration of this program, assistance has been provided for about 1,550 projects for housing and 500 additional projects for related facilities. This is a commendable record.

Equally commendable is the sound economic base upon which the program rests. Funds authorized under this program are not grants but rather loans, repayable to the Treasury. To date, there have been no defaults in principal or interest under this program. Two points are worth emphasizing. First, the loans are to extend over a maximum period of 50 years. Second, the rate of interest charged is equal to the average interest rate on the entire Treasury debt, plus one-fourth of 1 percent to cover management costs. These long-term low-interest loans are substantially more favorable than could be provided elsewhere.

By providing assistance of this nature to our institutions of higher education, the Government is in turn aiding in the training of our young people, that their skills and talents may be increased for the general betterment of society. While the colleges and universities are gradually repaying these Government loans, the graduates enter the mainstream of our economic and social complex as productive citizens. From a program such as this, there is no loss but only benefits—to the students, to the institutions, and to society at large.

The State of Washington has benefited handsomely under this authorization. Seattle is served by three institutions of higher learning, all of which have been participants under the act. Seattle University, under the administration of the Jesuit Fathers, has received $5 million; the University of Washington, $8 million; and Seattle Pacific College, a Free Methodist college, over $3 million. This brings the total benefits under the act to about $16½ million for the Seattle area alone; the total for the entire State of Washington reaches over $40 million with another $15 million reserved.

This assistance is significant to the non-tax-supported colleges and universities, which hold so prominent a place in the framework of higher education in Washington State. These non-tax-supported colleges and universities must rely upon grants from charitable foundations, donations from alumni and other interested parties, research assistance, and tuition. As tuition and living costs rise at these private schools, greater numbers of students are forced into the State universities, jamming their facilities while diminishing the revenues of the non-tax-supported schools they might have attended. It is encouraging to note that the non-tax-supported colleges and universities of Washington State received over $17 million in loans for housing and related facilities under the act during the past 10 years.

The increasing enrollments of our colleges make the program of loans for the construction of student facilities particularly important. Enrollment is expected to increase from its 1960 level of 3.6 million to over 6 million by 1970. By authorizing annual expenditures spread over the next 4 years in equal payments of $3 million per year, college administrators will be better able to plan for necessary expansion with an assurance that funds will be available.

PROVISION FOR OPEN SPACE

Mr. Chairman, title VII of the general housing bill, initiates a new concept in Federal planning in the urban development field. This section provides a program of partial grants to State and local governments to assist them in the acquisition of land for parks, recreational areas and other "open space" use. Grants up to 30 percent of acquisition cost would be permitted, an authorization of $100 million being asked. Title VII embodies the best principles of conservation and should result in immeasurable savings to local areas which participate in this program. I very strongly endorse the "open space" provisions and urge their retention in the bill.

"Open space" is defined by the proponents of this section as predominantly undeveloped land in an urban area which has first, economic and social value as a means of shaping the character, direction, and timing of community development; second, recreational value; third, conservation value in protecting natural resources; or fourth, historic, scenic, scientific, or esthetic value. The open-space provisions of the housing bill are essentially conservationist in tone, and in varied instances, reiterate implicitly conservationist policy.

Comprehensive areawide planning is the heart of orderly and efficient urban growth. The authors of this bill have recognized the proportions of the "urban sprawl" which is presently turning cities into super metropolitan blocks. Title VII is designed to offer incentives to State and local governments to plan carefully the use of their remaining open areas—to encourage public planning—at the local level—for public progress, that urban growth may be orderly, that natural areas may be preserved, that lands may be systematically set aside for public use, and that future generations may not grow up in teeming cities without the benefit of open space.

It is hoped that the incentives granted in this portion of the bill will encourage local officials to engage in comprehensive areawide planning to include preservation of open space.

The committee report defines urban area as "any area which is urban in character, including those surrounding areas which form an economic and socially related region." Thus, planners, taking into account population trends and patterns of urban growth, are able to go beyond the immediate confines of the city, beyond the presently congested areas, to set aside parks, parkways, watersheds, and open space for other future public use, specifically not to be

developed in the sense of building projects. Open space, to qualify under this bill, would have to be clearly and directly a part of a comprehensive growth plan. Once established as an open space area, such an area could not be converted to development use without compensation in kind and as part of a general alteration of the overall growth plan.

Senator JOSEPH CLARK has referred to the open space provision of the housing bill as an "insurance policy for urban sanity." I would quite concur with the distinguished senior Senator from Pennsylvania. In at least two phases, it constitutes an insurance policy for urban sanity. First, it contributes, as we have seen, to the promotion of sane urban planning. Second, and more literally, it contributes to the promotion of mental and social health.

America has been blessed with areas that are among the most beautiful, the most ruggedly grandiose of any in the world; and equally important, America has been blessed with statesmen of sufficient vision to set these areas aside for posterity as a public trust. Yet, it is an interesting anomaly that in most cases these parks, national forests and preserves are so far removed from 90 percent of our population that it is virtually impossible for them to enjoy the esthetic values of these areas. A trip to Olympic National Park or a cruise through the San Juan Islands in Puget Sound makes an extremely enjoyable vacation, but for most Americans, it is necessarily a two-week excursion.

Title VII is concerned with the day-to-day living of the millions of Americans crowded into housing developments, apartments and tenements—hot, teeming, and oppressive. Its intent is to encourage the preservation for public use of areas—determined through comprehensive local planning—such as Rock Creek Park and the C and O Canal in Washington, Pennypack Park in Philadelphia, the University of Washington Arboretum and Seward Park in Seattle, and Central Park in New York City.

The inclusion of title VII in the housing bill, if properly used, can mean financial saving to the local and Federal Government. The cost of building freeways through some of our cities and suburban areas may run up to $5 million a mile and more. The cost of acquiring right-of-way for these highways could have been greatly reduced had some early city father thought to reserve open space for a growing city. With the advantage of present growth statistics and planning analysis, there can be no excuse for a repetition of this failure. Parks and other open-space areas can be reasonably provided if they are set aside before urbanization sets in. Once natural beauty has been destroyed, it is nearly impossible to restore it. Once an area has been developed, property values make the consideration of human values almost prohibitive.

The time for thoughtful planning and bold action has arrived. In most areas of our country, open space is still available. However, our sprawling urban complexes are rapidly limiting this availability in their environs—cutting forests, polluting air and streams, constructing row upon row of crackerbox housing without consideration for the human values of the people who must live there. As our Secretary of Interior, Stewart Udall, has so wisely stated,

America's land and water are on the block. The highest bidder is seldom the wisest user. Short-term developments and short-term gains will be debited a thousandfold against the assets of future generations, whose claim on America is as valid as ours.

Mr. CORMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe I have never heard so peculiar a suggestion for an invasion by the Federal Government of the rights of local governments. I must say I can only suggest to those who feel that city councils are remote from the people and not responsive to their desires that they have never served on a city council, at least on the city council of Los Angeles. I would like to say this provision of the law has been a tool for the city of Los Angeles to eradicate a great number of slums and to prevent other slums from developing, and has made it possible for us to avoid at least for the last 8 years the necessity for any additional public housing. This was done through the efforts of my good friend, Mayor Norris Poulson, and by 15 members of the city council, I would say that my colleague from Los Angeles, Mr. ROUSSELOT, seems to have misinterpreted the last election in Los Angeles—14 of those councilmen who supported a great number of projects were returned to office, and the only exception was the one they sent here.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we had this amendment before us in committee. What this amendment would do in my judgment would be to completely take this out of the hands of the elected city officials. And if you think they do not hold elections and vote on these urban renewal projects, you should just take the returns of the cities and check them. This becomes an issue in the various campaigns, and in certain cities they hold a referendum. But I think you would not generally expect somebody to vote favorably in an area where houses are going to be torn down or where a superhighway is going to be put through. In the case of small towns the cost of holding an election would be unreasonable.

So after looking at all sides of it I believe the House will agree that it would strike down the urban renewal program. I hope the House will defeat the amendment.

The CHAIRMAN. The question is on the amendment.

The question was taken, and on a division (demanded by Mr. MCDONOUGH) there were—ayes 101, noes 138.

So the amendment was rejected.

Mr. CAHILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAHILL: On page 99, before the period in line 16, insert a colon and the following:

"*Provided*, That of such sum the Administrator may, without regard to other provisions of this title, contract to make grants aggregating not to exceed $50,000,000 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 improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. Such grants shall not exceed two-thirds of the cost, as determined or estimated by the Administrator, of the project for which the grant is made and shall be subject to such other terms and conditions as he may prescribe."

And on page 107, line 4, insert "(a)" after "SEC. 310.".

On page 107, after line 24, insert the following:

(b) Section 701 of such Act is further amended by—

(1) striking out the matter preceding paragraph (1) of subsection (a) and inserting in lieu thereof the following:

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning for urban development on a continuing basis by such governments for urban development and the coordination of transportation systems in urban areas, and to encourage such governments to establish and improve planning staffs, the Administrator is authorized to make planning grants to—"; and

(2) adding at the end of subsection (a) the following: "Planning which may be assisted under this section includes the preparation of comprehensive mass transportation surveys and plans to aid in solving problems of traffic congestion and facilitating the circulation of people and goods in urban and metropolitan areas through the development of comprehensive and coordinated mass transportation systems. Funds available under this section shall be in addition to funds available for planning surveys and investigations under other Federally aided programs, and nothing contained in this section shall be construed as affecting the authority of the Secretary of Commerce under section 307 of title 23, United States Code."

And on page 114, line 1 after "State" insert " , and including interstate agencies and instrumentalities".

And on page 115, lines 17 and 18, strike out "this section" and insert "clause (1) of subsection (a) of this section".

And on page 116, line 13, strike out "this section" and insert "clause (1) of subsection (a) of this section".

And on page 116, strike out lines 18 through 20 and insert the following:

(g) Section 203(a) of such Amendments is amended by striking out the words "in an amount not exceeding $150,000,000, notes and other obligations" in the first sentence and inserting in lieu thereof the following: "notes and other obligations in an amount not to exceed $650,000,000: *Provided*, That, of the funds obtained through the issuance of such notes and other obligations, $100,000,000 shall be available only for purchases and loans pursuant to clause (2) of section 202(a) of this title".

And on page 117, after line 5, insert the following new subsection:

(i)(1) Section 201 of such Amendments is amended by adding after "public works or facilities" in the second sentence the following: "(including mass transportation facilities and equipment)".

(2) The first sentence of section 202(a) of such Amendments, as amended by subsection (a)(3) of this section, is amended by—

(A) striking out ", acting through the Community Facilities Administration,";

(B) inserting "(1)" before "to finance"; and

(C) inserting the following before the period at the end thereof: ", and (2) to finance the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas, and for use in coordinating highway, bus, surface-rail, underground, parking and other transportation facilities in such areas. Such facilities and equipment may include land, but not public highways, and any other real or personal property needed for an economic, efficient, and coordinated mass transportation system".

(3) Section 202(c) of such Amendments is amended by striking out "this section" in the first sentence and inserting in lieu thereof "clause (1) of subsection (a) of this section".

(4) Section 202 of such Amendments is further amended by adding at the end thereof (after the new subsection added by subsection (f) of this section) the following new subsection:

"(e) No loans may be made for transportation facilities or equipment, pursuant to clause (2) of subsection (a) of this section, unless the Administrator determines that there is being actively developed for the urban or other metropolitan area served by the applicant a positive program, meeting criteria established by the Administrator, for the development of a comprehensive and coordinated mass transportation system, and unless such facilities or equipment can reasonably be expected to be required for such a system. Subsequent to three years after the date of enactment of the Housing Act of 1961, no such loans shall be made unless the urban or metropolitan area served by the applicant has such a positive program and the project is part of such program."

Mr. CAHILL. Mr. Chairman, I would like to briefly state what these amendments provide.

First of all, let me say this has to do with mass transportation. It is a subject I would assume every one in the House, regardless of how they feel about the balance of the bill, will agree should be in the bill.

The amendments that you heard read briefly do these things: They amend title III of the bill by permitting the Administrator to use $50 million of the funds already provided for in the bill for mass transportation pilot projects.

Second, they authorize the Administrator to use money already authorized in the bill for urban planning for planning for mass transportation in communities.

And, lastly, it amends title V of the bill relating to community facilities providing that loans may be made up to $100 million at the interest rate provided in the bill for the purpose of construction, reconstruction, and improvement facilities and equipment in mass transportation.

Mr. Chairman, may I say very frankly I know there are many in the House who have introduced bills which will take care of mass transportation. I know the subcommittee headed by the gentleman from New York is presently working on this problem. But I would call the attention of the House to the fact that in the other body the housing bill by an amendment offered by the Senator from New Jersey included these provisions. Therefore, if we accept this amendment and pass the bill, as amended, we will be in a position to start our work on mass transportation right now. We will not have to wait until the committee reports the bill, the bill is printed, and is scheduled for consideration, which may well be in the next session of the Congress.

I need not tell the Members of the House of the need for studies and pilot projects in mass transportation. In every Member's district I dare say this problem exists. One has only to look at the city of Washington and every other city in America to realize the great need for some solution of this mass transportation problem.

It seems to me, Mr. Chairman, if we are going to develop urban communities and bring more people in there, we had better start finding a way to get them in and out.

Mr. Chairman, I urge the Members of the House to accept these amendments, that they pass the bill as amended, so that we can start immediately to solve this problem. I think the time for study is over and I think the time for action is here.

Mr. Chairman, I urge the adoption of the amendment.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

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

Mr. RYAN. Is your amendment drawn in the same language as the amendment introduced in the Senate?

Mr. CAHILL. Yes. This is almost the identical language of the amendment introduced by Senator WILLIAMS.

Mr. Chairman, let me further say I do not suppose there is a Member in the House who will not admit that transportation is one of the most serious problems in his district. In my own district, we are faced at the present time with an application by a railroad to discontinue all passenger service in south Jersey. Our highway department is swamped with requests from irate citizens for immediate action in the construction of new highways and the modernization of old ones. Every avenue of ingress and egress to our cities is jammed with automobiles. One but has to think of the conditions of traffic here in Washington in the morning and in the evening to fully recognize the great need for a solution to mass transportation.

There is no great need for me to belabor the House with arguments in favor of these amendments. I am sure that every Member in the House agrees as to their need and that the only disagreement might come as to the manner in which it should be provided. The question, it seems to me, is, Shall we do it by amendment to the housing bill or shall we do it by separate legislation?

I would agree that a better plan might be a separate bill if we could vote on that bill today but contend with all of the sincerity and forcefulness I possess that even 1 more day's delay is inexcusable. I doubt very much if any separate transportation bill could be ready for floor action during this session of the Congress and thus whatever aids are necessary in the immediate future will be necessarily postponed for another year. This has been the history of mass transportation. Everybody agrees that something must be done but it is always put off until next year.

I would call the Members' attention to the fact that Senator WILLIAMS, in the other body, presented an amendment to the housing bill which was accepted by the other body and is now part of the Senate housing bill. In his statement Senator WILLIAMS forcefully and completely made the case for mass transportation. He pointed out the problems facing our citizens, the effect upon our merchants, and on real estate firms, how the failure to solve this problem has discouraged investment in big cities, how it has aided in spreading urban blight, how it has increased the cost of moving goods in interstate commerce, how it has increased accident insurance rates and costs, and most importantly, how it has deprived the individual citizen of peace of mind. As he said in his public statement:

> Never has anyone devised any more cunning device of human torture than the traffic jam.

I would agree completely with the Senator from New Jersey and say to the House that we should follow the example of the other Body and incorporate into our housing bill this amendment which would be the first step toward the solution of this vital problem.

I would call the attention of the House to the fact that the U.S. Conference of Mayors, the National Association of Home Builders, the AFL–CIO, the American Municipal Association, and, literally, hundreds of other civic-minded organizations have endorsed this type legislation. Studies by the hundreds have been made, all of which are in agreement that immediate action is essential. All that is happening by way of further studies is that traffic daily grows worse and the problem daily becomes more acute.

It seems to me absolutely ridiculous to suggest that we should have urban redevelopment, new homes for cities, and the other aids suggested in this Housing bill if we are not at the same time going to provide a way for people to get into and out of these cities. I suggest that this amendment would encourage the continuance rather than cause the abandonment of vital rail service, of necessary bus service. It would provide a ray of hope for people in the transportation field.

Among the existing problems that need immediate attention and solution we can, I think, include such things as modernization of railway cars and equipment, joint use of stations and terminals by all transportation agencies, coordination of parking facilities with mass transportation facilities so that outlying districts can be properly serviced and masses can be economically and speedily transported to urban employment. These are but a few of the multitudes of problems. Senator WILLIAMS in his speech before the other body presented

some 15 specific problems which, in his judgment, needed immediate solution. I would agree with the Senator and say that he listed only those which, in his judgment, were the most important.

I am sure Members of the House remember the recent NBC television show concerning the great problem of our railroads and our transportation system. Every national magazine and alert newspaper has been for many years pointing up this problem and suggesting means of solving it. We know that no city, that no State can solve this problem by itself. It is indeed a national problem and a national disgrace.

I again urge, therefore, the Members of the House to accept this amendment so that immediate attention can be given to this pressing problem.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, during the course of the debate on the rule on this bill I caused to be inserted in the RECORD, and it appears on page 10941 of the RECORD of June 21, a statement indicating that the administration bill on mass transportation had been introduced; it is H.R. 7787. There you will find the bill and an explanation of the bill and my statement about it. On Tuesday next we start hearings on the bill before my subcommittee of the Committee on Banking and Currency. We now have scheduled witnesses for Tuesday, Wednesday, and Thursday of next week. We will continue hearings until we have completed them, and then go into executive session and report a bill to the full committee which I think will warrant reporting by the full committee to the House for action.

Mr. Chairman, no amendment was offered in the subcommittee to this bill along the lines of that just offered. There have been no hearings in the House or by any House committee on this subject. No such amendment was offered in the full committee. I think this House should not attempt to pass an amendment of this kind that calls for the expenditure of $100 million which will go to municipalities, to railroads and to others engaged in the mass transportation business. This may be the thing to do, but with the recommendation at this time of the administration for $10 million, I think certainly we need full hearings on the subject. After that we can come up with a bill which will cover this matter and nothing else. In that way we can devote the proper attention to it and do the job that needs doing.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

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

Mr. CAHILL. Am I not right and does the gentleman not agree that this amendment does not provide any additional money, but that it merely utilizes the money that is already in the bill and permits the administrator to utilize some of those funds for a mass-transportation study?

Mr. MULTER. I will take the gentleman's word that that is what he is doing here, but I do see staring me in the face an allocation of $100 million for mass transportation. I do not think we ought to allocate $100 million, whether it is already authorized or will be authorized or appropriated by this bill until we have had full and complete hearings, indicating what the problem is and how much money should be allocated to this program.

Mr. CAHILL. I want to assure the gentleman that this $100 million is coming out of the $500 million that is new money appropriated in the bill.

Mr. MULTER. I am sure the gentleman is in no position to assure the House that the $100 million allocated in another part of the housing bill is not needed for housing facilities. I would be the last one in the world to urge that we take that money out of the housing program and allocate it to mass transportation. If we need $100 million or any other sum for mass transportation, let the hearings that we will hold establish that fact and then come before this House with a bill that will do the job.

Mr. Chairman, I urge the defeat of the amendment.

Mrs. DWYER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I strongly support the proposed amendment which would add to the committee bill a mass transportation program similar to that contained in the Senate bill.

As I stated in my remarks before the House yesterday, there is no more urgent national problem today than the need to free our cities and metropolitan areas from the choking conditions of modern traffic by developing comprehensive metropolitan mass transit systems.

I recognize that the House has held no hearings on mass transportation legislation this year. As a sponsor of such a bill, I have urged the committee to hold hearings and I have regretted the committee's failure to do so. I remind the House, however, that hearings were held on similar legislation last year by the Committee on Banking and Currency. The Senate has also held extensive hearings on the subject for 2 successive years. Moreover, the platforms adopted last year by both the Republican and Democratic Conventions specifically recommended enactment of legislation similar to the pending amendment.

I can conceive of no subject upon which more attention and greater study has been lavished. The problem has been recognized increasingly to be one of the most serious domestic problems facing our Nation, and there is virtually no disagreement about the fundamental means of attacking it.

As evidence of this unanimity, Mr. Chairman, I consider it especially significant that the Advisory Commission on Intergovernmental Relations just 2 months ago strongly endorsed the purposes and provisions of the mass transportation bill—the same bill passed by the Senate and pending before the Banking and Currency Committee.

The bill and the pending amendment would authorize long-term loans up to $100 million, provide for Federal technical assistance and research, and make available to State and local agencies aid in planning and testing alternative ways of improving urban transportation systems. The program would be administered by the Housing and Home Finance Agency.

As the Commission and many other groups have recognized, the provision of loans and planning grants of moderate size will stimulate State and local governments to assume their rightful responsibilities with respect to mass transportation planning and development.

The time for action, Mr. Chairman, is now. The metropolitan area mass transportation problem is a national one. The economic loss due to traffic congestion in the 10 major urban centers of the country approaches $5 billion a year. The present decline in urban mass transportation facilities represents an immediate threat to the survival of metropolitan areas as we know them.

The need to strengthen commuter transportation service by improving facilities, stabilizing fares, providing more convenient schedules, and attracting more satisfied customers is probably the most important single problem facing heavily populated urban areas.

Equally important, however, is the need to balance all forms of urban transportation, to develop an overall transportation system which will serve effectively and efficiently the divers requirements of the entire area, and to integrate such a system with all other land-use considerations in the area.

This amendment faces up to these needs by providing sound criteria for essential long-term loans and by establishing the machinery necessary for better planning at local, State, and National levels—planning that will assure us the best use of our resources at lowest possible costs and with maximum advantages for all our people.

Mr. RAINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from New York, who I know is as much concerned with this problem as anyone else, has well stated the case. There is to be some consideration of the legislation on it in the near future.

But certainly this frail bark is no place to put this type of amendment and I certainly hope those who want to case an economy vote will do so because here is a real good spot.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CAHILL].

The amendment was rejected.

Mr. HALPERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HALPERN of New York: Page 127, line 23, after "section" insert the following: "(or any cooperative housing project covered by a mortgage insured under section 207 as in effect prior to the enactment of the Housing Act of 1950)".

Mr. HALPERN. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, my amendment applies to a relatively small class of cooperative housing constructed under section 207 of the Housing Act, largely

for veterans, between 1947 and 1950. These dwellings are now 11 to 14 years old and in many cases in need of substantial improvement or installation of community facilities. In order to facilitate loans for this kind of work, my amendment would permit the FHA to insure loans, made to section 207 cooperatives, for improvement of existing facilities. The loans would be limited in amount to the equivalent of the paid-off portion of the existing mortgage, and in length of time to the remaining term of the existing mortgage. A similar provision with regard to section 213 cooperatives has already been included in the bill by the committee, and in all fairness, I think the same supplemental financing should be extended to the cooperatives built under the earlier section 207 cooperative program.

The committee has been studying this amendment, and I would like to ask the views of the gentleman from Alabama [Mr. RAINS].

Mr. Chairman, right after the Second World War, provision was made for construction of cooperatives under section 207 of the Housing Act. The aim was to provide housing rapidly and economically for returning veterans. Under the program, the FHA insured cooperative mortgages under section 207 between 1947 and 1950. Cooperatives whose participants were primarily veterans received special terms. I understand that there are in existence today 752 section 207 cooperative mortgages, covering 87,593 dwelling units.

In 1950, Congress established the section 213 cooperative mortgage insurance program, superseding the earlier 207 cooperative program. The latter was discontinued. However, cooperatives originally built under the 207 program between 1947 and 1950 are still insured under section 207.

In the bill before us, there is a vitally needed provision that applies to section 213 cooperatives. It permits the FHA to insure loans, made to these cooperatives, to be used for improving existing property and providing needed community facilities. The loan is limited to the equivalent of the paid off portion of the existing mortgage, and to the remaining term of that mortgage. This provision, which is already in the bill with regard to section 213 cooperatives, is truly vitally needed because without it, many cooperatives will not be able to obtain funds to provide important community facilities and improvements—and I am speaking of things like kitchen improvements, not of swimming pools.

The amendment I am now offering would simply make section 207 cooperatives eligible for the same type of improvement loans, under the same terms, as are already provided in the bill for section 213 cooperatives. I want to make it clear that the amendment applies only to section 207 cooperatives, and not to other types of housing covered by section 207. Moreover, it is an amendment whose effects would be limited because, as I said, the 207 cooperative program expired 11 years ago and no new cooperatives can be built under section 207.

In all fairness, Mr. Chairman, I think this amendment should be accepted. Section 207 cooperatives are older than section 213, and in some cases are in greater need of improvements. It is only just that they, too, should be given an opportunity to enhance their facilities.

Mr. RAINS. Mr. Chairman, the staff of the committee and the staff of the agency have looked this amendment over. We have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. HALPERN].

The amendment was agreed to.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH of California: Page 141, strike line 1 and all that follows down through page 146, line 10, and insert the following:

"TITLE VII—FHA INSURANCE FOR SITE PREPARATION AND DEVELOPMENT"

Page 146, line 12, strike out "710" and insert "701".

Page 154, line 16, strike out "711" and insert "702".

Page 155, after line 5, add the following new section:

"STUDY OF OPEN-SPACE LAND USE

"SEC. 703. The Housing and Home Finance Administrator shall make a study of open-space land in the Nation's urban areas, giving particular attention to the danger that existing open-space land will be lost to such areas, the factors contributing to such danger, and the feasibility of encouraging more economic and desirable urban development in the United States through a Federal program of assistance to State and local governments to preserve open-space land which is essential to the proper long-range development and welfare of such areas. The Administrator shall report to the Congress at the earliest practicable time the results of such study, together with his findings and recommendations for legislative and other action.

Mr. McDONOUGH. Mr. Chairman, this applies to the section of the bill that provides $100 million for the acquisition of open-space areas in urban sections of the country. Instead of assuming the obligation of acquiring these lands, which will run into a great deal of legal problems because of condemnation proceedings and State and local laws that are opposed to this kind of land acquisition, I propose that the Housing Administrator be authorized to make a study of it.

In the bill on page 110 under "Parks and Recreational Facilities" an amendment was agreed to by the committee that no urban renewal project could be established without due consideration being given to adequate park and recreational facilities as may be desirable for neighborhood improvement, with special consideration for the health, safety, and welfare of children residing in the general vicinity of the site covered by the plan.

There is a provision in the bill, and there is no attempt to remove it from the bill, to provide recreation facilities for urban renewal projects. This is not going to cost $100 million to do what is already in the bill, but it will cost $100 million to acquire these lands if this open section remains empty.

I think we are entering into an area which is supplemental to housing but not specifically housing, because this will remove from the tax rolls in many cases many, many acres of land around a small or large city that could otherwise be used and preserved as the hope was expressed in the bill for future use for a greenbelt or recreation or park area. This is new legislation. I recommend that the study be made, but I do not think we should assume the cost of $100 million. Therefore, I urge that the amendment be adopted.

Mrs. GRIFFITHS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I feel that the time for study on this issue has passed, that while a study continues the price of the land would go up so that the people involved would in the long run pay a higher price. I urge that the amendment be defeated. I feel that the place where we need the parks is where the people are. I hope that everyone will vote against this amendment.

Mr. RAINS. Mr. Chairman, in the general debate on this subject I stated to the Members of the House that at the proper time I intended to offer an amendment to limit strictly the definition of this to the following, and if and when this amendment offered by the gentleman from California is voted down I expect to offer this brief amendment:

The term "open-space land" means any undeveloped or predominantly undeveloped land in an urban area which has (A) recreational value; (B) conservation value in protecting natural resources; or (C) historic or scenic value.

You are talking about developing a city with urban renewal. That is what the words "urban renewal" mean, to renew rundown, outworn, outmoded sections of a city. I think to curtail that part of the program for these purposes only, to say that open-space land is not essential to it, is to shut one's eyes to the facts of modern urban living. I said before and I say again that I believe that one of the greatest things in the program is the provision for more open space for kids to play in. I also believe that there ought to be some provision made whereby the people in an urban area could preserve to themselves the scenic beauty. I think that adds to it. I also believe we ought to be able to preserve sites of historic value. These are essentials to the renewal program of a modern city.

Mr. Chairman, I ask that the amendment be voted down. Then I expect to offer this amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to oppose the amendment. This term "open spaces" is a technical term which may be meaningful to conservationists, but to the people generally and particularly to those of us of Irish descent, I think it would be better understood not as "the wearing of the green" but the "saving of the green."

Green is a disappearing color in our cities. Green trees disappear before the

bulldozers of the real estate developers whom we are helping with this legislation. Green bushes wither from the carbon monoxide and the fumes in our cities. The green grass is trampled to death as a result of the high population density in our cities and it is replaced by black asphalt. Oh, must it be by the law of economics that the growing of the green is prevented in our cities? Today in this Chamber we can strike a blow for the green. We can correct the shortsightedness of the other body. We can retain title VII, as it is in this bill. The opponents of this legislation claim we are saddling our children and our grandchildren with a large debt. I say without this title VII, we will be bequeathing to our children and our children's children an asphalt jungle which will cost them not 10 times but 100 times as much to correct in the future.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I am glad to yield to my colleague.

Mr. WIDNALL. I would just like to add that the taxpayers' green money is withering too and has reached the point where the Treasurer of the United States was suggesting that we print it in red.

Mr. MOORHEAD of Pennsylvania. I would like to suggest to the gentleman that by amending this, we would be pennywise and pound foolish. Think what it would cost the city of New York if they had to create Central Park today. Why do we saddle our children with that kind of obligation? Give us green grass and a chance for the people in the cities to be out in the open air where they can have picnics and where Boy Scouts can go. Mr. Chairman, that is essential for the people in the cities today. I know this from our experience in the city of Pittsburgh. After the war we had no parks in our city. We had no green. We had to create two parks. One was a park of 36 acres and it cost $12 million, and another was a smaller park which cost $4 million. Now we do have green in our city, but at a cost of $16 million and that amounts to 16 percent of the cost of this bill.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I am glad to yield to my colleague.

Mr. McDONOUGH. You referred to the city of New York. On this particular question, the mayor of the city of New York appeared before the committee and he was asked particularly about the implementation of the open-space section in this bill and he said to the committee that he doubted the city of New York could use it at all. As a matter of fact, he felt there were State laws against the use of it. That same answer was made by others who appeared before the committee from St. Louis and several other cities.

Mr. MOORHEAD of Pennsylvania. I will tell the gentleman that in my city of Pittsburgh, there is a great support for this. In the central business district of our city, we have no green. We have to go outside of the central business district to find our parks. This provision can be used in Allegheny County because there the people can drive a few minutes and get to a green area where they and their families can be outdoors and enjoy the green grass and the open sky. All this title does is to make the Federal Government a junior partner in providing help to cities in this field.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I am glad to yield to my colleague.

Mr. MADDEN. In view of the fact that we are on the subject of green, meaning greenback money, I might remind the Members that J. Edgar Hoover made a statement about a year ago that it cost between $3 billion and $4 billion a year to fight crime and juvenile delinquency. I think that these parks and open spaces would do more to combat juvenile delinquency than anything we could do. It will take youth off the streets, poolhalls, and joints. I oppose the amendment.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KYL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the Members of this great body are concerned with so many matters of importance we sometimes forget actions not yet completed, which have been instituted by the House. I would remind the Members of this body that 2 years ago the Congress established a commission which is called the Outdoor Recreation Resources Review Commission. This group was given a period in which to study the very important matter we now have before the House—the entire question of open space, esthetic values, delinquency, and with special attention to all of the varied and involved legal questions. These studies are being made; they are almost concluded, and the volumes are about ready for publication. Only shortness of memory causes us to say "It is too late to study this proposition."

For that reason, Mr. Chairman, I suggest that the House should abide by its previous wisdom in setting up a study commission and should let this matter rest until we interpret answers the Commission has found.

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. DERWINSKI. Mr. Chairman, if there is any portion in this housing bill which should have calm study it is this section. First of all, there is no demand, or plea, or request whatsoever for open space land development; as a matter of fact, the opposite is true. If any Member would check the records of the Housing Subcommittee you will find that in the last 3 years the homebuilders and others have each year objected to the fact that in the vast majority of suburban communities of the country they are being requested and in some instances forced by the local city fathers to set aside substantial areas of land for parks, for open space, for schools, and playground purposes.

In effect, what this provision would really do is multiply problems, not solve problems. Take the economic cost possibility in just suburban communities, and should the program be diverted to create greenbelts or open space in the centers of major cities, you would have to spend every penny of the appropriation putting a little bit of heaven—or green, pardon me—into that one city, and the demand for funds would be uncontrollable. As a matter of fact, the original argument to justify this section of the bill was advanced on the proposition that we have suburban sprawl, and that it is a horrible, terrible, treacherous, dastardly thing, and that this provision would stop this suburban sprawl. This overexaggerated suburban sprawl is being effectively controlled by community managers and village fathers, for in any city or town of any size builders planning on developing a subdivision are required to set aside a certain percentage of land for recreational facilities, for parks, school buildings, and so forth, to the extent as I have indicated, that the builders are complaining that they are presently asked to set aside too much land for those purposes. Many areas over the last 40 or 50 years have had a policy of setting aside land for community recreational purposes. There is not a single major city or town in America that has not done something along this line. If we are going to be at all reasonable about what we do we should eliminate this provision for open space at least until we study the problem. The provision in the bill before us is completely unworkable. If we are going to have any reasonable commonsense approach in this area we should await the report of the committee that has been set up by Congress and has been studying this question.

Mr. KYL. This study which was authorized by the Congress is almost concluded at the present time and there is in process of accumulation and printing 24 volumes on this very subject.

Mr. DERWINSKI. Most certainly we should await the results of this study before acting on this subject or we may find ourselves having already legislated against the very recommendations this committee might propose. May I reemphasize there is no demand or emergency necessitating this provision, and may I vigorously reemphasize that county governments, forest preserve districts, and park districts are doing the job.

Mr. ALGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I guess I have got to hit one more lick against the open-space provision. So, on this one, as far as the land developer is concerned, I cannot believe yet my colleagues understand what they are doing because of the very basic nature of this type of a business transaction. I heard, for example, someone say that the Government is a junior partner in these things. The Government is not and will not be a junior partner because as a level of government it must put all 50 States in the same position by one law. Therefore, it is supreme in this sense. Certainly, Federal power grows, at the expense of local and State government, once established in any area.

I also heard the chairman of the committee say that this redefinition of

open space will be recreational, conservational, historic, or scenic. Now, that covers all land, does it not? In the present bill I see the word "economic" is used, too. Its elimination will not release land from Federal consideration. But I appeal to you that under this definition it can cover all land.

For a moment, let us look at the basic realities of the situation. When a development is to be attempted a man first finds land. Then in order to get the development OK'd, in almost any civic section of our country covering urban areas, he has to go before the council or the city fathers, whoever the governing board is. He has to dedicate land for rights-of-way, he has to put in utilities, he has to put most of the money down in advance out of his own pocket. He has to comply with all the street plans, all of the topographic surveys, he has to consider subsoil, drainage, storm sewers, all of which he pays for himself. He has to provide land for schools, parks, and playgrounds or he cannot get the plan OK'd. That is the law of the locality.

I am sure in our zeal to have green grass and blue skies for children, and all of these things, the best way is not to do this in haste in the late afternoon but to await the studies now going on. I think you will have on study greater confidence in the localities and in local action than by what has been evidenced here late in the afternoon. It is late, we want to wind up consideration of the bill, but that is not the way to enact legislation in a field where economic considerations as well as the laudatory ones involving children playing in parks, and so forth, are concerned. My city, as well as other cities, has parks. But this legislation is not the proper way to get good land development. Our local officials can, as they have in the past, accomplish sound development better than Federal planners. Local officials know best the local problems.

The bill would require the Administrator to encourage local governing bodies to preserve the open land looking to orderly community development. We have this already. How the Federal Government is going to improve on this, I do not know.

Then it is stated, in the middle of page 43:

> The pioneering nature of this proposed grant program is also reflected in the administrative discretion which has of necessity been provided in determining the criteria which must be met by the required comprehensive development plan.

Mr. Chairman, we do not need this particular section, because what we are going to do is to actually stultify and negate present development efforts. A developer will not buy land if he thinks the Federal Government is going to block him. If you want to block future development of our cities, this is the way to do it. So vote for this amendment, that we will then have time to give it more sober consideration. We should study in the future the views of land developers rather than now adopt new law. Federal judgment is not always the best. State and local government can best control the development of our urban areas.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. McDONOUGH].

The question was taken; and on a division (demanded by Mr. McDONOUGH) there were—ayes 112, noes 151.

So the amendment was rejected.

Mr. RAINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. RAINS: Page 145, strike out lines 15 through 21 and insert the following:
>
> "(1) The term 'open-space land' means any undeveloped or predominantly undeveloped land in an urban area which has (A) recreational value; (B) conservation value in protecting natural resources; or (C) historic or scenic value.

Mr. RAINS. Mr. Chairman, I do not intend to use any time on this amendment. I have already discussed it a moment ago with the gentleman from California. This is language in connection with the definition of "open space" as far as historic or scenic value is concerned.

Mr. Chairman, I ask that the Committee adopt the amendment.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Do I recollect correctly that either yesterday in debate or earlier this afternoon the statement was made that the change in language in this section would make this provision applicable only to parks adjacent to urban renewal projects?

Mr. RAINS. I made the statement exactly as I made it on this amendment. I do not know who made some other statement. But the statement I made on the RECORD was the description of this exact language. I did not hear the other statement.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

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

Mr. McDONOUGH. Well, is it your intention in this amendment that the open-space area acquired under this section would be adjacent to urban renewal?

Mr. RAINS. It speaks for itself. It says: "The term 'open-space land' means any undeveloped or predominantly undeveloped land in an urban area."

Mr. McDONOUGH. In an urban area?

Mr. RAINS. Yes.

Mr. McDONOUGH. It does not mean an urban renewal project?

Mr. RAINS. Of course not.

Mr. McDONOUGH. We have provided in the bill for parks in urban renewal projects.

Mr. RAINS. This is not that and never has been. This is the same term that has been in the bill anyway.

Mr. McDONOUGH. Of course, everyone knows that such an urban area is adjacent to a city.

Mr. RAINS. It is not open land outside of the area. It is limited to these three purposes in an urban program. It is a restrictive amendment. If the gentleman wanted his amendment adopted, this is a better amendment than he had offered, in my judgment.

Mr. McDONOUGH. My amendment was to strike out the whole section.

Mr. RAINS. And since we did not do that, it certainly seems to me you would favor one of restriction.

Mr. McDONOUGH. But we should find out what an urban area is.

Mr. RAINS. That is what it is.

Mr. McDONOUGH. What area is it? Is it an urban renewal area?

Mr. RAINS. Anything that is not in the urban area would not be in it.

Mr. McDONOUGH. What is an urban area? We have not defined that yet.

Mr. RAINS. The gentleman knows as well as I do what the law defines as an urban area.

Mr. McDONOUGH. I do not know that the law defines what is an urban area.

Mr. RAINS. If you will read the law, you will find it described in a good many places.

Mr. McDONOUGH. Under the urban renewal law any city is an urban area.

Mr. RAINS. Absolutely; and that means just that, inside that area they can do this. That is what it means.

Mr. McDONOUGH. Then the gentleman is proposing to amend the section to provide that the parks acquired under this section shall be within the city limits.

Mr. RAINS. Within the urban area.

Mr. McDONOUGH. Of the urban area.

Mr. RAINS. That was in the amendment the entire time. I shall be glad to read the definition, if the gentleman wishes. I refer him to page 145, line 22:

> 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, taking into consideration such factors as present and future population trends and patterns of urban growth,

Mr. McDONOUGH. They do not necessarily have to be within the city limits.

Mr. RAINS. But they have to be in the urban area, of course.

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, so that there may be no misunderstanding, I should like to point out that this is the frosting on the cake. This adds to the complete confusion and misunderstanding that are symbolic in this entire bill; the gentleman from California, Mr. McDONOUGH, and I have been asking questions for some minutes and the answers requested are not forthcoming, and I say this with due respect to the gentleman from Alabama [Mr. RAINS]. The gentleman read his perfecting language and the definition of urban area, but truly this amendment does not change the section at all. All it does literally is to permit any municipality, with the approval of the Administrator, to grab off a portion of these funds whether or not there is a need, because your values are so broad, your definitions are so vague, that the sky is the limit. I predict that the problem you are going to have—and I hope for

once the majority party Members have compassion and mercy on the executive branch of the Government of your party. For if you give them a monstrosity like this to administer, all you do is to create a caseload of ulcers down in the executive department, and you will not be solving the problem you pretend exists and is needed in this section. There is no basis, study, or even representative basis on which to enact a new program of this tremendous nature with the cost beyond our ability to estimate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. RAINS].

The amendment was agreed to.

LEGISLATIVE PROGRAM FOR THE WEEK OF JUNE 26

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of inquiring of the majority leader as to the program for the balance of the day. It is my understanding that it is expected that action on this measure can be completed this evening. So I have asked for this time in order that the membership may be informed as to the program for the balance of the week and for next week; and if I may respectfully suggest to the majority leader, any word he may give us as to the 4th of July.

Mr. McCORMACK. The pending bill is the remaining piece of legislation for this week. If disposed of and passed tonight, I shall ask unanimous consent to go over until Monday. You will notice that I say if disposed of and passed. What I mean is that it can pass, but I am assuming nobody will demand an engrossed copy of the bill. That is what I had in mind.

Mr. HALLECK. I was about to suggest facetiously that if the bill failed on final passage, then there would be no reason for meeting tomorrow.

Mr. McCORMACK. Of course, there are imponderables in connection with any bill. If we dispose of the bill and it is passed, then I shall ask unanimous consent to go over until Monday.

Next week, Monday is District Day, and there will be seven bills called up, perhaps more. They are as follows:

H.R. 4669, relating to gambling.

H.R. 4670, concerning indecent publications.

H.R. 7044, to amend section 35 of chapter 3 of the Life Insurance Act.

H.R. 6495, amending the Life Insurance Act.

H.R. 7482, to amend the Life Insurance Act, as amended.

H.R. 318, relating to taxes, exempt foreign corporations.

H.R. 7052, relating to criminal conduct.

These bills may not be called up in the order I have announced them.

Mr. HALLECK. May I suggest that we put all these in the housing bill and dispose of them tonight?

Mr. McCORMACK. Then there is H.R. 7677, to increase the public debt, and H.R. 5963, the General Bridge Act, governing clearances, which was introduced by the gentleman from Mississippi [Mr. SMITH].

Also, a conference report on roads will be brought up on Monday.

Then on Tuesday, Wednesday, and Thursday—I see on this paper I hold here "Friday," but I am not going to mention Friday—there is the Defense Department appropriation bill for 1962. If H.R. 5963 is not reached on Monday it will come up after the Defense Department appropriation bill.

Then there is the continuing resolution in relation to the appropriations for 1962 that might be called up any time. That is the result of the unanimous consent granted on June 21, 1961.

If a rule is reported out on H.R. 7576, relating to an authorization for the Atomic Energy Commission, we will try to get that bill up for consideration.

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

In relation to the inquiry of the distinguished minority leader about July 4, it is the hope of the leadership that the legislative business for next week will be disposed of by Thursday of next week, in which event, with July 4 coming on the following Tuesday, I will ask unanimous consent that the House adjourn from next Thursday until the following Monday, and then link that up with a unanimous-consent request that on the following Monday there be no business and that when the House adjourns on that day it adjourn to meet the following Thursday, July 6. In other words, we are hopeful we will dispose of the legislative business by Thursday of next week, in which event there will be no legislative business until the following Thursday, or a week later.

Mr. HALLECK. I thank the gentleman.

Mr. FARBSTEIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FARBSTEIN, of New York: Page 97, after line 9, insert the following new section:

"INCLUSION OF STORES AND OTHER NONDWELLING FACILITIES IN LOW-RENT HOUSING

"SEC. 207. The first sentence of paragraph (1) of section 2 of the United States Housing Act of 1937 is amended to read as follows: 'The term "low-rent housing" means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto, including such stores, offices, and other nonhousing facilities as well as social, recreational, and communal facilities as may be deemed by the public housing agency (with the approval of the authority) to be necessary or desirable for such housing.' "

Mr. FARBSTEIN. Mr. Chairman, this is a very simple amendment. All it seeks to do is to give permission to the local authorities to build stores in public housing projects. This may or may not be a world shaking matter, however, it is very important to the housewives who presently have to walk six and eight blocks in order to buy a loaf of bread or to buy milk. I do hope the amendment will prevail.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

There is some merit to the amendment offered by the distinguished gentleman, but I cannot imagine this House, without going into a study of it, being willing to put public housing money into the bill to go into the building of stores in these particular places. So with much regret, I must oppose the amendment and I hope it will be voted down.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

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

Mr. FARBSTEIN. Is it not true that this amendment has been before the House for the last 5 or 6 years?

Mr. RAINS. It has.

Mr. FARBSTEIN. And does the gentleman not think that that is sufficient time to study it?

Mr. RAINS. We have studied it and, so far, have come up with an adverse answer. I do not believe the amendment ought to be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FARBSTEIN].

The amendment was rejected.

Mr. RYAN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RYAN, of New York: On page 111, after line 6, insert the following new section:

"PROHIBITION OF LUXURY HOUSING IN REDEVELOPMENT OF URBAN RENEWAL AREAS

"SEC. 315. (a) Section 105(b) of the Housing Act of 1949 is amended by striking out 'and (iii)' and inserting in lieu thereof the following: '(iii) to give satisfactory assurances (with appropriate provision for enforcement) that, in order to insure that any rental housing or cooperative housing which may be constructed on such property in the redevelopment of the area will assist in fulfilling the housing needs of persons from the middle-income segment of the population, the monthly rentals (or, in the case of cooperative housing, the monthly amount payable as carrying charges) to be established for living accommodations in such housing will not exceed $35 per room or such lower amount as the local public agency may determine to be appropriate in view of the accommodations offered and the income levels of the persons who will be the occupants thereof; and (iv)'.

"(b) Section 110(c)(4) of such Act is amended by striking out 'for uses in accordance with the urban renewal plan' and inserting in lieu thereof 'for uses in accordance with (A) the urban renewal plan, and (B) the applicable contract made with the local public agency as provided in section 105,'.

Mr. RYAN. Mr. Chairman, I should like to commend the distinguished chairman and the distinguished members of the Subcommittee on Banking and Currency for the excellent presentation of the bill which is before us. My amendment would add a provision to the bill and is concerned with the title I program of the Housing Act of 1949. I am concerned because through experience we have seen there are many inequities in that program, as it has been applied and administered by the various cities which have come under the program.

Mr. Chairman, I offer an amendment which will correct what I believe to be a flagrant abuse in the title I housing program. It would prohibit the subsidy of luxury housing in urban renewal areas and establish a ceiling on rents in residential housing constructed with the benefit of a title I land write-down.

More than a decade after the enactment of the Housing Act of 1949, one of the major problems facing our cities is the lack of decent safe living accommodations for low- and middle-income families. This is so in New York and across the Nation.

In general, there is public housing for low-income groups—not sufficient—but H.R. 6028 will authorize 100,000 more units. The private developers both with and without title I have built luxury housing for high-income groups. However, we have failed to meet the needs of the middle-income citizen, the average urban dweller. The provisions of H.R. 6028 which extend the scope of section 221(d)(3) certainly should help. But this is not the answer.

My amendment is consistent with the declaration of national housing policy set forth in the Housing Act of 1949:

> The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family.

The assistance provided localities through land cost write-down was designed to provide housing particularly for moderate-income and low-income families. It was not intended for upper income groups, nor was it intended exclusively for low-income families. The Housing Act of 1937 and title II of the act of 1949 sought to provide housing for low-income families.

Title I was intended to provide a means to combine the efforts of private industry and public housing authorities to redevelop slum areas and blighted city neighborhoods. At the same time, it was to provide suitable living accommodations for all American families who could not afford luxury housing.

As originally conceived, title I projects were supposed to develop predominantly middle-income housing.

This has not been true in practice.

Rental projects subsidized by title I write-down in land costs are renting in New York City anywhere from $40 to $246 per room per month. In New York City the mean rent per room for 11 title I projects is $44.77. Such rentals can hardly accommodate middle-income families. According to an exhaustive New York State study, middle-income rentals should range from about $17 to $29 per room per month, not from $40 to nearly $250.

Obviously, when title I is used for such luxury housing, accommodating the displaced, low-income-site tenants is completely out of the question. Instead, they are all too often driven to worse slums.

Let me cite two examples. A title I project originally called Manhattantown is now nearing completion after 10 years. After they had milked the property without building and scandalously exploited the site tenants, the original sponsors were removed. The site was turned over to Webb & Knapp which produced luxury housing. Today rents are $49 per room and up.

The original sponsors, who had already cleared $600,000 were awarded with a half-million dollars a year on the Webb & Knapp profits.

After the Wall Street Journal interviewed Mr. Zeckendorf, it reported that he "also predicts profits of $1.5 million a year from the 2,522 apartments plus shopping center Park West Village, on New York's upper West Side, just off Central Park, after the project is completed in 1960."

"That is equal to all the cash we put in it," said Mr. Zeckendorf.

Let us look at the Washington Square Village development in Greenwich Village. This title I project cost the city and the Federal Government $15 million in subsidies. Apartments rent for up to $246 per room per month, and penthouses for $6,000 each per year.

Since in the larger cities, it is rental housing which is most needed, it seems fairly obvious that those most affected by urban renewal operations—the aged, those with low income, the minorities, and the lower middle income larger families—are not the groups for whom the majority of redevelopment housing is designed to accommodate. With the exception of public housing there have been few instances in the history of slum clearance and urban renewal in which private housing in an urban renewal area has been sufficiently low in cost to permit the return of those displaced—either as homeowners or renters.

Title I should be used to achieve the avowed purpose of the Congress in setting up the program—a decent home for every American family.

In order to do so, I propose that monthly rents be no higher than $35 per room per month.

This figure is based upon the New York City Planning Commission's middle income housing averages of $21 to $30 per room per month, and the New York State task force report on middle income housing which found middle income housing to be $17 to $29 per room per month. Since it is difficult to arrive at a fair formula for all localities, I have added $5 a month to the top limit of $30 per room, and my amendment provides that each local public agency may determine a lower limit. It is obvious that a maximum of $35 per month per room does not necessarily provide middle income housing. Medium income for families in 1960 was estimated at $5,600. Under the maximum $35 per room a five-room apartment—the average family needs two bedrooms—would rent for $175 per month.

According to the National Housing Conference and other housing experts rent should equal one-fifth to one-quarter of annual income. For a family to be able to afford to pay $175 per month, the family income should be approximately between $8,400 and $10,500. A great number of families in this income group have difficulty in finding new rental housing at prices they can afford. However, I fully realize that housing at $35 per room would still not help many of those families who earn above the income limit for public housing and below the income level necessary to afford private rental housing. It must be remembered that this is a maximum figure intended as a guide and a measure to prevent the building of luxury housing with taxpayers' money.

If the citizens of the United States are to pay the costs of renewing and revitalizing the Nation's urban centers, then the majority of the citizens should reap the benefits—not a minority of high-income families and investors and developers.

Whether we wish to face it or not, Mr. Speaker, we do have a crisis in housing. We have not provided adequate housing for the lower middle-income and low-income families. These citizens have not been accorded the right to a decent home in a suitable living environment, in keeping with the general rise in the Nation's standard of living. This is true, in spite of the fact that the Federal housing programs have as one of their major objectives the improvement of housing conditions of all American families.

The solution of the housing crisis is within our grasp. In the fight against slums, urban blight, overcrowding, and the critical housing shortage, the Federal Urban Renewal Program can be a potent weapon. This program, however, can be an effective weapon in our cities' struggle for survival only if we exclude luxury type housing from urban renewal areas.

The rebuilding of urban renewal areas with high-cost rental and sales housing has been justified by the arguments that the cities need to attract the upper middle-income families back into the city to help pay for the high cost of services; that the only way to build low-cost housing on the cleared slum sites is through a subsidy—and that this would be unwise.

What greater and more wasteful subsidy can there be than that which many cities are currently paying in the form of increased costs of municipal services to slums and deteriorating neighborhoods? Statistics have been assembled which show that an overcrowded, deteriorated neighborhood requires greater expenditures for police and fire protection and prevention and other services. The social costs of poor physical and mental health, and the general personal and family disintegration which occurs in a slum environment, have been cited time and time again.

The process of urbanization of the country has brought more and more low-income rural families into the cities. All indications point to a continuation of this in migration. Where will they be housed if some of the new construction is not within their means? In most

cities new construction is taking place in the urban renewal areas. If newcomers are unable to benefit from this housing, their main choice is an established slum. If one is not available, one will be created, because traditionally there have been landlords who were eager to maximize their profits by converting single family homes into multifamily dwellings. Once this happens in one house on a block, and once the newcomers discover that this housing is available, the machinery of slum building has been put in motion—all because there is insufficient housing at a cost within the means of low-income families and individuals.

Charles Abrams and others have repeatedly warned that present housing policy geared as it is to the welfare of the greater pressures instead of the greater number, has grave social and economic implications for the future. I join this housing expert in pleading for a reexamination of our housing programs with a view to devising some new formulas which will provide housing for those whose need is the most urgent—the lower-income family, the large, middle-income family, the aging couples and single individuals—and last but not least the slum dweller. A step in this direction would be to require the rebuilding of urban renewal areas to meet the needs of these groups—let them enjoy the benefit of the write-down in land costs now allotted almost exclusively to the luxury-type homebuilding and his upper-income tenants.

We must make the cities—the nerve centers of our progress and our life as a nation—desirable, places in which to live, work, and play. We cannot do so if we do not redevelop our worn-out neighborhoods to accommodate a cross section of the population.

We can move toward this goal by adopting this amendment and closing the era of housing history when the Federal Government subsidized luxury housing.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I yield.

Mr. LINDSAY. The gentleman is on the right track. The difficulty with his amendment, however, is that the ceiling is too high.

Mr. RYAN. I agree with the gentleman.

Mr. LINDSAY. Rentals in this area should be kept around $20 to $26 per room per month.

Mr. RYAN. I agree with the gentleman, but what I am trying to do is to set a maximum, which would serve as a guide to local authorities. My amendment authorizes them to fix a lower limit. What I am trying to do is prohibit luxury housing. The construction of luxury housing with Federal subsidies seems to me to be a misuse of the taxpayers' money.

Mr. RAINS. Mr. Chairman, regretfully I rise in opposition to the gentleman's amendment. The purpose of his amendment is, really, rent control, and I suggested to the gentleman that he take the time to bring the amendment before the committee and let us study the matter. I am quite sure it would be extremely detrimental to this section of the bill. I ask for a vote and hope the Committee will vote the amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. RYAN].

The amendment was rejected.

Mr. MARSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: Page 162, line 21, after line 21, insert the following new section:

"SEC. 806. (a) Section 508 of the Housing Act of 1949 is amended by striking out 'of $5 per day' in subsection (a) and inserting in lieu thereof 'determined by the Secretary'.

"(b) Section 508 of such Act is amended by striking out 'their opinions of the reasonable values of the farms' in the second sentence of subsection (b) and inserting in lieu thereof 'as to the amount of the loan or grant'."

Mr. WIDNALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WIDNALL. Do I understand this to be an amendment to title I?

The CHAIRMAN. No; the amendment is offered to the language on page 162.

Mr. MARSHALL. This has to do with the farm housing part of the program.

The CHAIRMAN. The gentleman from Minnesota is recognized in support of his amendment.

Mr. MARSHALL. Mr. Chairman, this amendment is offered for the purposes of simplifying the administration of the farm housing title of the act. The amendment consists of two sections. The working of both sections is intended for much the same purpose of making administration easier.

The first has as its purpose to make the pay of committeemen comparable with that for other work which these same committeemen perform in carrying out Farmers Home Administration activities.

In many counties in the United States, committeemen doing work assigned to them for the USDA in approving production and subsistence loans and farm-ownership loans for the Farmers Home Administration will be called upon to do some work on the same day and in the same location in approving loans under the same housing provision of the act we are now considering. The Secretary of Agriculture, it seems to me, ought to have the privilege of setting the same per diem rate for these activities. When he is unable to set the same rate of pay it makes unnecessary and complicated bookkeeping.

The Secretary of Agriculture selects these committeemen to approve loans and applicants for loans. These committees are rendering a fine service by their knowledge of local conditions and their ability to bring good management into these programs. As long as the Secretary of Agriculture, through the FHA, administers these related programs, it is hoped that he will have the privilege of setting an identical rate of pay for this similar work. That is what my amendment intends to make possible.

The second part of my amendment also relates to the committees and deals with the certification of the amount of the loan. I am sure it was never intended by the Congress that the county committees should be entering into the mechanics of the farm appraisal. This part of the amendment is to make it clear that the mechanics of the appraisal should be done by the technicians of the Department of Agriculture and made available for the use of the committee when they certify the amount of the loan. The committee must continue to certify the applicant's eligibility, including his character, ability, and experience and shall have at their disposal all of the technical information relating to the loan itself of which the appraisal is an important part.

By clarifying and clearing this omission in the act, it will greatly expedite the making of farm housing loans and enable the county committees to act in an economical and efficient manner.

I urge the adoption of the amendment since I sincerely believe it to be a time-saving and money-saving improvement that will provide more efficiency and better service.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Alabama.

Mr. RAINS. I will say to the distinguished gentleman I think he has an exceptionally fine amendment to both sections, and the amendment ought to be adopted and I hope it will be adopted. It is better language than we have in the bill and also conforms with the practice which they now use and have been using. I hope the Committee will vote for the amendment.

Mr. MARSHALL. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

The amendment was agreed to.

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY, of New York: An page 97, after line 9, add the following new section:

"NONDISCRIMINATION IN PUBLIC HOUSING

"SEC. 207. Notwithstanding any other provision of law, no contract for annual contributions for additional dwelling units shall be entered into under the United States Housing Act of 1937 after the date of enactment of this Act, and no annual contributions or other assistance shall be provided with respect to dwelling units covered by such a contract, if there is or (under the contract and related instruments) is permitted to be any discrimination in the admission to or occupancy of such dwelling units on account of race, religion, color, ancestry, or national origin."

Mr. LINDSAY. Mr. Chairman, this amendment does not require much elaboration. It applies to public housing and says that public housing Federal funds shall not be used for discriminatory purposes.

Mr. RAINS. Mr. Chairman, I think the gentleman has offered an amendment to another part of the bill which has already been acted on. He had better check his amendment.

Mr. McDONOUGH. Mr. Chairman, the bill was considered read and open for amendment.

Mr. RAINS. It was not open to what already had taken place.

Mr. LINDSAY. Mr. Chairman, I do not yield further.

Mr. RAINS. Mr. Chairman, I make a point of order against the amendment.

Mr. GROSS. Mr. Chairman, a point of order. The gentleman's point of order comes too late. The gentleman from New York had already been recognized.

The CHAIRMAN. Will the gentleman restate his point of order?

Mr. RAINS. I will state my only fault was I did not get up in time. It was correct, but I failed to get up in time.

The CHAIRMAN. The Chair was going to overrule the point of order anyway because the gentleman from New York had been recognized.

Mr. LINDSAY. Mr. Chairman, I am a pro housing man and have been ever since I have been a Member of Congress. I have also been a pro public housing man because I know what it means to my district and to the city of New York and to all of the great urban centers of this country.

And, I will say to the distinguished gentleman from Alabama, that I have walked up the aisle with him on housing matters; I have done so in connection with public housing. At times I assure my friends on the Democratic side that it was not easy, because there is some disagreement on my side of the aisle on the public housing question. Having done so, now let me say this: that I will vote for programs when I think that they are important to the health and future of this country. But at the same time I will expect that you on the majority side will stand up and be counted on a matter of principle regardless of the special provincial pressures you might be under. Why should we provide Federal funds to perpetuate practices of discrimination in one-third of the country and, indeed, in many other areas of the country? And, do not let anybody suggest for one moment that this amendment to the public housing section of the bill will kill the whole bill, because it will not. In the first place, it is limited to one section of the bill. In the second place the distinguished chairman of the committee, the author of the bill, is too much of a statesman and has pride in his bill; in the third place, the leadership would not allow it at this stage of the game and you know that as well as I. So, I can assure you that anybody who suggests to you that you must vote against the amendment, which says that Federal funds in public housing shall not be used where there is discrimination, is way off the track, because this housing bill will pass, and you know it as well as I do. I will vote for the bill and I am willing to take the abuse that I may possibly have to take from my side of the aisle for voting for it. All I ask is that you on the majority side stop this unholy coalition when it comes to matters involving individual rights. The President of the United States on three occasions in the campaign stated that in January he would have a civil rights bill before the Congress. January came, February, March, April, and May. No civil rights bill. And then, when the distinguished chairman of the House Committee on the Judiciary, the gentleman from New York [Mr. CELLER], introduced a bill, the administration went out of its way to disassociate itself from the bill. So, when they suggest to you that there is Executive power here to do what I seek to do by legislation, think twice, because we have had broken promises down the line since January on this question. I need not talk further. I have walked up the aisle with you. Now let us see you walk up the aisle with me.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will say to the distinguished gentleman that he was very generous in his remarks. Why did he not put his amendment across the board? Why not put it on FHA? Why not put it on other programs? It is limited only to public housing in an effort to kill it. I have been here and I have watched this maneuver time after time, but at the same time the real intent and purpose of it is to kill the bill. All right. Experience is a dear teacher, and when you have faced it as many times as I have, you know that is true. Yes, the gentleman from New York knows it, too, and so do we all.

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

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

Mr. HALLECK. Well, I have heard that sort of an argument when there was the Powell amendment offered to the school bill here in the House last year. The Powell amendment was adopted, as I remember it, and the bill went on to passage.

Mr. RAINS. I also saw this very same maneuver many times fail because we know that it was meant to kill the bill.

Mr. THOMPSON of New Jersey. Mr. Chairman, will the gentleman yield?

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

Mr. THOMPSON of New Jersey. The gentleman from Indiana is correct in that the amendment was adopted here and the bill passed, but thanks to the gentleman from Indiana and his friends on the Rules Committee a conference was refused and the bill never became law largely on that account.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. LINDSAY. I would like to say that anything that has been said by the distinguished chairman or by the distinguished gentleman from New Jersey [Mr. THOMPSON], has absolutely nothing on earth to do with this amendment that I have proposed.

Mr. RAINS. That is your opinion. You know there are other people who have different opinions and who have observed this long enough, and they do not agree with that observation.

Mr. LINDSAY. Does the gentleman wish to continue the practices of discrimination in public housing?

Mr. RAINS. We are interested in passing this bill for the poor people in the gentleman's district regardless of who they are, and he does not think the gentleman is doing them a service when the gentleman seeks to scuttle it by this kind of maneuver.

Mr. McDONOUGH. Mr. Chairman, will the gentleman from Alabama yield to me?

Mr. RAINS. I yield to the gentleman.

Mr. McDONOUGH. The gentleman knows that all through this debate I have been quite active in attempting to defeat his bill.

Mr. RAINS. Yes; I will agree with that.

Mr. McDONOUGH. I will say this, so that the House may know: The gentleman from New York [Mr. LINDSAY] never introduced that amendment at my request, nor with any urging on my part, and as far as the other members of the committee are concerned, I doubt if they were consulted. I believe he is sincere in his efforts to accomplish what he believes should be the law in public housing.

Mr. RAINS. I am not charging him with insincerity.

Mr. RYAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, without delaying the proceedings, I merely want to say that I believe this is an issue of principle; and I intend to support the amendment. I introduced legislation in the House which would, if adopted, affect all housing and require nondiscrimination across the board. If this amendment were across the board, I would support that.

I am also very much concerned that this housing bill pass, and I believe it will.

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I take my hat off to no Member of this House on my stand for civil rights.

This amendment is completely unnecessary in this bill. The gentleman who offered it knows he does not need it in the State of New York nor in the city of New York where we have local statutes against discrimination and there they are across the board. Why does he offer it to this bill, and why only to the public housing provision? Perhaps he would like to see the bill carry with it; I doubt it.

The fact of the matter is in offering this amendment—and I say this from long years of experience—because in my early days of service I offered a similar amendment to a housing bill.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Not at the moment.

Mr. LINDSAY. The gentleman mentioned my name. I think the gentleman ought to yield.

Mr. MULTER. Not at the moment.

I offered a similar amendment to a housing bill, but across the board, and I know from that experience that a housing bill cannot prevail with this

kind of amendment. When you bring a civil rights bill before the House, and present the issue, we will all stand up and be counted, as we have done in the past.

There is no need to complicate this legislation with an amendment of this kind, offered against a particular part of the bill, when all it can do is garner some votes against the bill.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

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

Mr. LINDSAY. The gentleman has impugned my motives in offering this amendment. The gentleman should take time to examine my voting record on housing.

Mr. MULTER. I did not impugn the motives of the gentleman from New York. He may have offered his amendment in the best of faith, but if he did, then it was with lack of knowledge that the adoption of this amendment will kill this bill. I urge all of my colleagues who are as strong for civil rights as I am to vote this amendment down. This will add nothing to this bill. It may prevent its passage.

There is more than ample authority in existing law for the executive departments to prevent discrimination of any kind for any reason whatsoever, in every Federal program including all of our housing programs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LINDSAY].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. LINDSAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. LINDSAY and Mr. RAINS.

The committee divided, and the tellers reported that there were—ayes 132, noes 178.

So the amendment was rejected.

Mr. HAGAN of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGAN of Georgia: Page 168, after line 10, insert the following new section:

"DISPOSAL OF NATHANAEL GREENE VILLA HOUSING PROJECT

"SEC. 905. Notwithstanding the provisions of section 606 of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, and any agreements entered into thereunder, the Housing and Home Finance Administrator and the Public Housing Administration are authorized and directed to agree to the sale by the Housing Authority of Savannah, Georgia, to the city of Savannah, Georgia, of all right, title, and interest in and to Nathanael Greene Villa (low-rent Housing project GA-2-8; formerly war housing project GA-9041), for a total price of $275,000, which shall be paid to the Administration and deposited by the Administration in the Treasury as miscellaneous receipts in accordance with section 606(d) of such Act."

And redesignate the succeeding sections accordingly.

Mr. RAINS. Mr. Chairman, this amendment has been cleared with the Agency. It is the usual way in which they dispose of some Lanham Act housing. There are always items of this nature in the bill.

I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: Page 118, strike out line 15 and all that follows down through page 119, line 11.

And on page 118, line 9, strike out "(a)".

Mr. WIDNALL. Mr. Chairman, this is a very short and simple amendment and gives you an opportunity to save $800 million. It gives you a chance to support your President and my President when he recommended that the special assistance Fannie May section of this bill contain $750 million, and not $1,550 million as it came out of the House Banking and Currency Committee.

I just want to remind the House that we in this chamber heard President Kennedy at a special joint session ask us to refrain from enlarging programs, and this does enlarge the housing program by $800 million.

I wish to read a very short part of the Senate debate. Senator ROBERTSON of the Senate Banking and Currency Committee said:

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.

I ask you to please pay special attention to this statement that Senator ROBERTSON made:

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.

Seven hundred and fifty million dollars was put in here to finance the program 100 percent. There is no need for an additional amount.

There was in the FNMA special assistance function only $3,604,431 this year as of March 31, 1961, so there is undoubtedly less today. In the management and liquidating function there was only $2,076,773 on the same date.

And it is proposed under this bill to take funds that would normally go to the Treasury to be applied on the budget. We would take it and use it to create a further deficit as far as our own national budget is concerned.

I urge the adoption of this amendment. It is in conformity with the request of President Kennedy as the bill was presented to the House Banking and Currency Committee for consideration.

Mr. RAINS. Mr. Chairman, the two items which the distinguished gentleman seeks to cut out of FNMA are not new and additional appropriations. It is money already in the possession of FNMA for housing. It includes $200 million remaining from the Emergency Housing Act of 1958, and about $150 million in annual repayments on the liquidation portfolio of FNMA for a period of 4 years. It seeks to give to FNMA a sufficient amount of mortgage-buying capacity to take care of the programs which this House has already adopted. It does it without taking an extra dollar because the money is already in FNMA. It is a bookkeeping entry and a bookkeeping entry only.

I may say, if the program on rental housing under title I is to be carried out, and if these other programs which have been enacted into law are to be carried out over this period of time, it is clearly evident that FNMA will need the right to use this money which is already in the FNMA program.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

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

Mr. WIDNALL. I read into the record figures from the balance sheet of the Federal National Mortgage Association as of March 31, 1961. The latest figures show there was $3,400,000 available in the special assistance fund and in the liquidating fund, a segment of that, $2,673,000. Where will they get the $800 million to buy these mortgages except by further borrowing by the Treasury?

Mr. RAINS. They will get the $750 million which the gentleman does not seem to object to as new authority, and the additional amount of money he objects to, put in by this committee, is only a bookkeeping arrangement. The vast amount of all of the FNMA purchases which are needed and necessary in this sales housing have been in the South and West where it is almost impossible to get a loan without extremely high and unreasonable discounts. The purpose of this money in FNMA is to eliminate the terrible discounts which exists in those sections.

Mr. WIDNALL. Has the gentleman received word from the President of the United States that he needs additional money to operate FNMA during the next budgetary period?

Mr. RAINS. I can put it this way: I have not received word from the President of the United States that he is opposed to this in the bill. I do not know that he will sign it, he has not told me, but I thought we had separate divisions of Government and I assumed we could do a little legislating on our own.

Mr. WIDNALL. I thought that, too.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

The amendment was rejected.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN of Iowa: After the last section of the bill, add a new section as follows: "It will be unlawful for any borrower under the provisions of this act to utilize same for the purpose of speculation."

Mr. JENSEN. Mr. Chairman, I am sure that every Member of this House who wants this bill to become law desires it for the people who need a home. I have been informed that there is considerable speculation going on at the present time under existing law. Certainly this sort of speculation in my book almost borders on the criminal when so many people need roofs over their heads. My amendment is plain, understandable, and I hope it will be adopted.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am quite sure that the intent and purpose of this amendment of my distinguished friend is good, but under present FHA regulations before a man can get a loan he must certify that he is going to live in the house. And, no one would want to say to him that since you have gone out and borrowed your money, that you are fastened with this house; you cannot sell this house for more than you gave for it; therefore you have to stay in it all the time.

Mr. JENSEN. I just cannot take that as an answer.

Mr. RAINS. Why not?

Mr. JENSEN. You know what a speculator is.

Mr. RAINS. Yes, I know, but you are not getting after him in this amendment.

Mr. JENSEN. Oh, yes, you are.

Mr. RAINS. By whose definition?

Mr. JENSEN. Whose? Webster tells you who he is, and I will read the definition: One who speculates in business, one who engages in speculation as in bonds, stocks, and real estate. And, any judge and any court will soon decide who a speculator is.

Mr. RAINS. I will say to the gentleman that the man he has described cannot qualify for FHA loans.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. RYAN. Mr. Chairman, I offer an amendment.

Mr. RAINS. Will the gentleman from New York yield so that I may inquire of the distinguished gentleman from California if there is any chance that we can arrive at a time when all debate will cease?

Mr. McDONOUGH. Yes. I would agree to 7:15.

Mr. RAINS. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 7:15.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: On page 99, strike out lines 17 through 24 and insert the following:

"RELOCATION PAYMENTS

"SEC. 303. (a) Section 106(f)(2) of the Housing Act of 1949 is amended by striking out the last two sentences and inserting in lieu thereof the following: 'Such payments shall be in amounts sufficient to cover such moving expenses and losses of property, and shall be made in accordance with rules and regulations prescribed by the Administrator.'

"(b)(1) The first sentence of section 106(f)(2) of such act is amended by striking out 'except goodwill or profit' and inserting in lieu thereof 'including losses and expenses described in paragraph (4).'

"(2) Section 106(f) of such act is further amended by adding at the end thereof the following new paragraph:

"'(4) In determining losses of property for purposes of paragraph (2)—

"'(A) a tenant who is displaced from the project area may include an amount equal to the difference in cost for 1 year between the rental paid for his accommodations in such area and the rental required to be paid for his accommodations at the replacement site;

"'(B) a business concern which is displaced from the project area and relocated at a replacement site may include an amount equal to its loss of profit for the first year after such relocation as determined by the Administrator; and

"'(C) a business concern which is displaced from the project area and which, after reasonable efforts, is unable to obtain a suitable replacement site within 1 year after the date it is required to vacate the project area may include an amount equal to the fair and reasonable market value of its trade or business unless it is offered a priority of opportunity to purchase or lease substitute facilities to be constructed or provided in connection with the development project.'"

Mr. RYAN. Mr. Chairman, this amendment is directed at some of the problems which have been created in the relocation of residential and commercial tenants on urban renewal sites. I believe that this is an area which also needs correction.

I believe that the urban renewal program should provide priority of opportunity for tenants to return to and relocate in the urban renewal area. I also believe that the local public agency should be required to complete the relocation of displaced individuals, families, and business concerns before turning property over to the sponsors. I hope that there will be future legislation to accomplish this.

I now turn to my pending amendment.

The amendment which I propose is one which is vital to the continued efficiency of the urban renewal process. This change in the relocation compensation requirements of title I of the 1949 Housing Act seeks to lift some of the burden of urban renewal operations off the shoulders of the ordinary citizen. Section 106(f)(2) of the 1949 act would be amended to require that relocation payments be in amounts sufficient to equitably cover the moving expenses and losses of property of both families and business concerns.

H.R. 6028 now pending before this body has recognized, in part, the hardship suffered by some small business concerns. However, its provisions do not include compensation for the full loss incurred by business enterprises; and it does not increase the allowance for moving costs for families. It does not provide for those concerns, which are stripped of all assets beyond fixtures and equipment, and for those families which incur moving expenses in excess of $200. Small business concerns on urban renewal sites which have rented or leased their accommodations are only paid for the cost of moving. Only the landowners are paid for the value of land and buildings. Payments for the losses sustained during the period leading up to the time when they must vacate their premises; the lack of income during the time required to relocate; and costs involved in the process of adjusting to new neighborhoods and in finding new customers are not allowed.

Moving costs for families have been documented as being in excess of $200 in many instances, and relocation records reveal that the majority of the displaced families experience increases in rental costs.

Data collected and analyzed by Dr. Kinnard of Connecticut University under an SBA grant indicate that many small business concerns have been adversely affected by the urban renewal operations of cities. Even before it is necessary for the small business to vacate their premises, their clientele diminishes as more and more families and individuals relocate outside of the urban renewal area. No compensation is available for this loss. Added to this loss is the lower income received while they are reestablishing their enterprises in new quarters where they are not known.

Some theorists will say that marginal operations which characterize some of these small concerns would not have a long business life under any circumstances. Be that as it may, if the business represents a man's livelihood—no one, not even a public agency operating in the public interest has the moral right to take it away without some remuneration. Fortunately, some of these small concerns have fared considerably better in the quarters to which they have relocated, but these are isolated incidences. Most of the small business enterprises found in prospective urban renewal areas were established with a minimum of capital and have been able to continue in business because they were located in low-rent commercial premises. The financial burden of increased rentals, coupled with decreased clientele has made it necessary for some of them to cease their business operations. Under these circumstances, they should not be forced to bear the full financial strain of their forced discontinuation.

It is my belief that these small business concerns should receive the following compensation:

First. The difference in rental cost for 1 year between the old premises and the new quarters;

Second. The first year's loss of profit due to relocating their operations;

Third. Compensation at a reasonable market value for a trade or business which has been unable to find suitable replacement quarters, within 1 year after displacement unless offered a priority to purchase or lease facilities in the development project.

These considerations should be granted the small business concerns affected by urban renewal operations, in addition to their receiving technical advice and personal assistance in securing

a replacement site. My particular interest is, of course, the city of New York, but the problem of small business relocation is not confined to the larger cities. The records of the Housing and Home Finance Agency reveal that 60 percent of the cities undertaking urban renewal have populations under 50,000 and 100 urban renewal projects are in process in towns of 10,000 or less.

This represents a national problem. The corner grocer, the cleaner, the barber, the druggist, the small dress shop, the little bookstore all have a contribution to make to the national economy. They are necessary to the people who buy from them and are vital sources of income for their wholesalers and the manufacturers. The fact that we have a separate Federal agency which operates in the interest of small business attests to the importance of this segment of our economy, and fortifies the traditional democratic principle of encouraging individual enterprise. The specific problems of the small business entities affected by urban renewal operations should be accorded full consideration in keeping with this principle.

Lewis Mumford, a scholar and historian, who is probably better informed on the processes of urban living than anyone in this country, made the following observation at a recent meeting of the American Institute of Architects:

> The things that give meaning to life are not included in the budget of big urban renewal projects. The great boulevards of Paris need the cafe to translate the large-scale order of movement into the intimate order of repose, conservation, and human stimulation. The off-Broadway theaters and the espresso bars have done more for the culture of the city of New York than acres of pretentious estheticism.

On a somewhat different scale, the corner grocer and the barber and the lunchroom make their contributions to the culture of particular neighborhoods. They have both a social and an economic service to render their community. One of the conclusions reached by Dr. Kinnard was that—

> When businesses do relocate successfully, an economic gain for both the community and the firm is likely to result. The problem is to keep the economically defensible firm in existence long enough to survive the relocation.

One way to assist in the survival of these firms is to make available adequate financial compensations for losses attributable to relocation. Such compensations would be available under my proposed amendment. This amendment would also reduce the financial and mental strain of the families and individuals who are forced to move from their low-rent accommodations.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

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

Mr. LINDSAY. The gentleman's amendment is a good one, and he should be commended for it. It is deserving of support.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have all of the aids about which the gentleman talks for small businesses in the bill. He asked about payment for goodwill, which is not practicable. The amendments have not been studied by the committee. We invited the distinguished gentleman to bring them to the committee and present us with testimony, which has not been done.

I therefore ask the Committee to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my understanding that the motion to recommit is going to be with instruction to substitute the bill offered earlier to continue for one year the existing housing programs with certain improvements. I urge you to vote for that motion.

The main reason is indicated by this big headline on the front page of today's Washington Daily News, entitled "J.F.K.'s No. 1 Priority: How To Alert United States to the Dangers in Berlin."

The story inside begins:

> Top priority matter on President Kennedy's agenda today was how to alert and unify the country on the danger of Berlin.
>
> "We're on collision course," said one of Mr. Kennedy's close associates, "and the United States must be told how serious the situation is."

Mr. Chairman, Mr. Khrushchev has declared war on us. He is proceeding on a course which, unless he is jarred off it or unless we are going to give in ourselves, is bound to lead to collision and war this year.

Do we dare imagine that Mr. Khrushchev is going to abandon that course unless he is convinced by actions on our part that we are dead in earnest when our President says, when the Congress says, and when other Americans say that we will never back down on Berlin?

Do we think he is going to believe we are serious about the threat of war this year, when he sees us embarking upon new programs that involve, for example, 40-year, low downpayment, long grace period loans for houses? Why do we not adopt this substitute and thereby show him that we do mean business and that nothing is going to be considered of prior importance by this Congress until he removes his threat to the freedom of West Berlin?

To continue the existing housing programs 1 year will injure no one. It will not deny anyone housing who is eligible under present standards, and certainly millions of homes have been and are being built under existing programs. To continue it as it is for the present in order to alert and unify the country on the danger that overrides everything else, will send this man in the Kremlin a message he will understand.

If we are to start any new program, it ought to be a crash program on civil defense, so we can save more of the lives of our own people. As long as he sees that we are making very little preparations to save our own lives, naturally he is encouraged to consider cutting loose with a surprise atomic attack on us, because it might kill so many and cripple us so hopelessly that we could not recover or successfully retaliate.

Someone here will charge that to vote for the substitute would mean opposition to more and better housing. No, it would mean that we are for saving our country from war and destruction. It is more important in this crisis year to have peace than to have more houses for people who may otherwise be dead, and the homes destroyed, too. To vote for the substitute would mean that we are putting first things first. And Mr. Khrushchev's threat is first.

Let us tighten our belts for a year, accept his challenge, make everything secondary to meeting his ultimatum over Berlin, and I dare predict we can help mightily to knock him off his collision course.

Mr. ALGER. Mr. Chairman, I want to join with those colleagues who wrote the minority report and those Members who have shown the fiscal irresponsibility of this housing bill.

As a former land developer, realtor, and builder, I am aware more than most that this will not help the building industry. These are the tools of destruction of private enterprise. This bill will not help people secure better homes, rather it will make them dependent upon Government and assure slum-living conditions and, in time, respectable and respectful homeownership, the backbone of American family life, will be destroyed.

I just do not believe that Members of this body can conceive that this bill will help our citizens. Basically the tremendous increase of Federal spending means necessarily an increase in taxes and/or inflation of currency through deficit financing, which in turn will further handicap and hamper private enterprise in all fields of construction which in turn will mean more business failures, more unemployment, less production; indeed, less tax revenue for the Government.

Unfortunately, the expedient, temporary help given the building industry and the lending institutions through this bill will not help permanently, but will harm permanently, both our citizens and the building industry itself.

The increase of urban renewal by over $2 billion increases the danger of the taking over of property under the power of eminent domain "for spiritual and aesthetic reasons" as decreed by the Supreme Court decision.

This is a frontal attack on the right to own private property wherein further subsidies will destroy human character and dignity, and create slums of the future.

The aid for community facilities is redundant to the same aid in other programs and transgresses again the prerogatives of local governments.

Back-door spending of $8.8 billion further transfers Government control into the hands of the executive and prevents Congress from exercising constitutional prerogatives, as the watchdogs of the purse strings.

Finally, the open space and land development title of the bill, title VII, allows the Federal Government to control the future development of land around urban areas and be a roadblock to private entrepreneurs, whose development efforts necessarily must flourish in order to fill the need for new housing, school, and marketing facilities.

I can only assume that those colleagues and those in the administration who insist on the passage of this bill are misinformed and misunderstand the building industry and, indeed, the entire nature of free and private enterprise.

It is my earnest hope that this bill will be defeated and replaced by a more sensible version, greatly reduced in size, and without the new experimental departures, which in this bill have not even been subject to public hearings. This is a bad bill and should be defeated.

Mr. RODINO. Mr. Chairman, as a longtime supporter of progressive, enlightened housing legislation, I am proud to stand up and be counted among those favoring the passage of H.R. 6028. I believe we have before us today a legislative program which makes giant strides toward our national goal of a decent home for every American family.

Some of our learned colleagues would have us believe that this carefully drawn up housing program is excessive both in its cost and in the amount of new housing construction it will foster. Further, they claim that the demand for the improved housing conditions envisioned in this bill has fallen off. We have only to cite the 1960 Census of Housing to refute these claims. Despite the recent decade in which the American people have generally enjoyed unprecedented prosperity, in 1960 one out of every six households reside in housing that is dilapidated or lacks some or all plumbing facilities. Three million housing units are considered to be dilapidated. Yet we are told that H.R. 6028's provision authorizing the Public Housing Administration to contract for the construction of an additional 100,000 public housing units is unsound and unnecessary. Clearly the facts speak for themselves.

The census also shows another 8.4 million housing units are deteriorating because of deficiencies which need correcting if the units are to continue to provide adequate shelter. The new liberalized 20-year, limited interest home improvement loans—up to a maximum of $10,000 per family—reflect a sound solution to further threatened deterioration. It would be extravagant and foolhardy to allow 8 million housing units to slip into the status of slums through neglect. For they represent an important segment of our national investment in real estate and they will be needed to meet the housing demands of our ever-growing population.

When we talk of the costs of a proposed Government program, we must consider both sides of the issue. While it may seem to some that the administration's housing proposal has a high price tag, it is not large when you balance it against the cost of doing nothing—and in terms of returns to our national economy.

We must look at this bill in terms of what it means to the economy of the Nation at large. We are just emerging from the third postwar recession. Although there are many signs of economic resurgence, unemployment remains at a most serious level, with well over 6 percent of the labor force still without jobs. There is no economic activity which can do more to stimulate the economy than a thriving homebuilding industry. And this bill, through its multiple provisions, particularly in stimulating housing to fill the need where it is the greatest, can do much to give the economy the added impetus it now needs. When more homes become available, as we all know, not only is the demand for lumber, brick, glass, steel, and the other materials that go into a house stimulated, but also the need for all of the furnishings and appliances that go into a house.

This bill is not a threat to private business. It does not offer Government competition with private business. On the contrary by its very terms it does a great deal to uphold and foster the homebuilding industry and all of the other businesses related to it.

I do not need to go further into the detailed provisions of the bill. The goals of the bill are clear and the means toward reaching these goals are eminently reasonable and practical. This housing bill is needed by our low- and middle-income families. It is needed by the housing industry. It is important for the American economy. I therefore wish to add my voice to those who call for its speedy approval by the House.

Mr. LESINSKI. Mr. Chairman, I am glad that the chairman of the Subcommittee on Housing [Mr. RAINS] has submitted his amendment because it will allow the housing program to move ahead without causing such an inflation in land prices that would make it impossible to buy a $10,000 home because of the high cost of lots. It will give protection to the Government and will also protect to a greater extent the present residential homeowners who have rental units.

Being an individual who believes in feeling out my constituents about their attitudes toward legislation on various subjects, I asked a number of people in various walks of life how they felt about the housing bill under consideration. I talked with bankers, builders, labor people, officials who have had experience with FHA and GI mortgages, and various other individuals.

The banker's reaction was, naturally, conservative, as he felt 40 years was too long to be paying on a home because the homeowner would be paying over 2½ times the cost of his home, especially at today's high interest rates. He was concerned especially about a no-downpayment provision.

The investor in the insurance business felt that there was need for a 40-year term to help the lower income group purchase thier own homes, but there should be some kind of downpayment so as to discourage those who would not be capable of maintaining their homes and to prevent the development of slum areas in those new subdivisions which would be built with this type of mortgage.

I made a special point of asking whether or not he felt a 40-year mortgage would tie up an excessive amount of money so that other businesses could not borrow. His feeling was that there would be some adverse effect immediately, but in the long run it would not be too severe.

A conservative Republican made the statement that a 40-year loan was very good because it would encourage homeownership, which is our intent in America, and do away with public housing. He insisted upon a downpayment and said it should be at least 10 percent, which seems excessive to me.

In talking to mortgagors, I found they are all for a no-downpayment 40-year mortgage. Of course, their business is to make mortgages and the more mortgages they handle for a longer period of time, the more money they make, especially if these are Government guaranteed.

Labor representatives are all for the bill, because they feel it will spur employment, which I can understand and am for, and also promote homeownership.

Most of the individuals with whom I spoke felt it would be outrageous, first of all, to have to pay the high interest rates today, and they would be prone not to buy because it is foolish to pay today's high interest on a 40-year basis and thereby pay 2½ times the actual cost of the house. They were concerned that a no-downpayment provision would tend to lure irresponsible people into purchasing homes which would deteriorate into slums for lack of care and attention.

In speaking with people who have had experience with GI loans in the Detroit area, I find that they are opposed to the no-downpayment provision and have some doubts about the wisdom of a 40-year mortgage. The experience has been that when times are good, there is no problem. But when there is a recession, a veteran who bought a home with no downpayment and a 30-year mortgage, upon trying to sell his house, finds that he has no equity, nothing to fall back on. It is felt the situation would be worse under a no-downpayment, 40-year mortgage. I understand that as of the present time the Veterans' Administration has been breaking about even on its repossessions, but that the trend is starting in the direction of losing money.

In Michigan, there is a 12-month redemption period after foreclosure; but actually a veteran can live in the house from 18 to 20 months before he has to leave. In the meantime, the Government has to pay taxes on the property and then when foreclosure is final, has to spend $300 to $400, or even more in current repossessions, to make necessary repairs before putting it on the market for resale.

While not true in all cases, the feeling generally is that people who purchase a home with no downpayment, having no equity in it, really have no incentive to maintain or retain the house during adverse times.

There is another problem that might be aggravated by a too rapidly expanded housing program. In the metropolitan

Detroit area today, as is true in other sections of the country, the rapid expansion of population has created a huge demand on the water and sanitary systems in those areas. In the State of Michigan today there is a ban on new home construction in certain areas because of lack of sewage facilities. So that the 40-year program to accelerate the construction of new homes will only aggravate the situation. In this bill provision is made for construction of sewage and water facilities which is needed today.

It appears, therefore, to be the consensus that with respect to the housing program, there should be a downpayment requirement so that the individual will have an equity and an interest in the house for his own benefit, and the Government which is guaranteeing the loan will not be forced to take a loss if required to repossess and resell the house.

In view of the foregoing, I am very happy to have supported the amendment offered by the gentleman from Alabama [Mr. RAINS].

Mr. DADDARIO. Mr. Chairman, those of us who live in the rapidly growing complex of cities on the eastern seaboard are fully aware of the way in which housing and development are moving inexorably over the land. This decade is faced with a dramatic challenge to uphold the ideals of conservation and preservation that America has established.

Our metropolis on the east coast, running from Portland, Maine, to Norfolk, Va., is not unique. The lady from Michigan has noted her concern, and the west coast as well has felt the impact of growing populations. It has been true of this Nation from the start that America moves on, to consume land as it moves.

We need to recognize the importance of setting aside and protecting open spaces. In my home city of Hartford, we have a park system that is one of the finest in the Nation, but as our buildings grow and the population increases, we need to emphasize the necessity to set aside open space land in and around urban areas for social, recreational, and economic purposes.

This housing legislation offers a chance to start in such an effort. It would point up congressional interest in seeing that communities plan to hold scenic areas within reach of the many millions who live in our urban communities today. It would encourage municipal and local authorities to make even more vigorous efforts to save some breathing space for their people.

My home community of Hartford has one of the oldest and most respected park and recreation systems in the country. With the growing population in the metropolitan area, this system has been developed intensively to provide athletics and recreation for all.

There is, however, persistent pressure on these parks for further development which tends to erode the heavily wooded character of those parks which have succeeded in retaining that beauty. As they stand today, however, providing large park areas within walking distance of more than 70 percent of the population, they have been a mighty bulwark in stabilizing land values, in relieving our city of a sense of crowding that is too often noticeable in urban centers, and in retarding neighborhood blight and decay.

I do not say that the Hartford system is perfect, but I believe it offers much that would be desirable for all cities. And we must encourage our city planners and especially our fiscal planners to seek ways to preserve open space and beauty as housing development continues.

The real question is one of incentive and a recognition of the importance of the problem. That is what the clause in this housing bill would accomplish and I urge the House to favor it as a means of conservation of natural beauty in the American land.

Mr. DONOHUE. Mr. Chairman, I most earnestly hope this House, without extended delay, will approve this housing bill of 1961, H.R. 6028, designed to assist in the provision of housing for moderate and low income families, to promote orderly urban development, to extend and amend existing laws relating to housing, urban renewal, community facilities and other purposes.

As one who has, in patriotic concern and consistency, supported an adequate housing program for the American people over the past 14 years here, I sincerely believe the measure now before us contains the most comprehensive and most commonsense program in my experience. Its embracement of a 4-year period is a sensible and practical attempt to rescue us from the emergency housing legislation phases that have confronted us in the past.

The various sections and provisions of this bill have been clearly and specifically spelled out in detail by proponents and opponents and there is no need for repetition now. With but one or two innovations all the basic provisions of this measure have been passed, in one form or another, by this House before. It is strongly supported by the industries involved, civic officials, most housing authorities, the majority of economic experts and the President himself.

The testimony and the statistics revealed here demonstrate beyond reasonable doubt that there is a vital and imperative need for more housing in this country; the evidence further shows, and clearly, that the impetus that will be provided to the construction and related industries will encouragingly accelerate our advancing economic recovery and further reduce the unfortunately great number of American workers still unemployed.

Despite the hesitation of some sincere and conscientious questions here there can be no doubt, on the record, of the essential national benefit already derived from our previous programs of urban renewal and slum clearance, college housing, housing for the elderly, community facilities, farm housing, FHA mortgage insuring authority extensions, and related activities. I submit it is unhappily too seldom that we have such a realistic record of actual performance and experience upon which to base our continuing legislative judgment in promotion of the general welfare.

Mr. Chairman, I most earnestly feel that most, if not all, of us agree that our basic ingredient for eventual success over the sustained Communist challenge is the promotion and maintenance of a high morale among the American people. I personally cannot think of any one factor more pertinently important to such promotion and maintenance than the encouragement of homeownership and wholesome living accommodations for American families. Let us not be in the position of today denying essential needs to the American taxpayers and tomorrow asking these same people to contribute untold millions to the rehabilitation and welfare of strangers in foreign lands. Let us approve this measure in the national interest and get on to our further important work.

Mrs. GRANAHAN. Mr. Chairman, I am pleased to see some straightforward attention in this new housing bill to the problems of small businesses forced to relocate because of urban renewal projects. In the housing bill debate in the last Congress, I raised the question about more equitable relocation payments, and attempted to put through an amendment which would have permitted the payment of good will where justified.

While I could not get the chairman of the Housing Subcommittee, or the House, to go along with me on that amendment, at least I did receive a pledge that the Housing Subcommittee would go into this whole matter of small business hardship resulting from urban renewal dislocations, and I am now glad to see some concrete results in this bill. Of course, it is not all that I would want, but it is a good forward step.

I can understand the difficulties of establishing goodwill determinations; nevertheless, I hope to see that problem worked out in a satisfactory manner. When a man has invested a lifetime in a small business in a particular neighborhood, and suddenly is forced to close up his business and move to another location, he is paying a tremendously high price—out of proportion—for the community improvement program. For he is losing his established business in an established neighborhood, and is starting out all over again in strange surroundings, with his old customers perhaps dispersed to the four winds.

We have had a problem of that kind in the huge Eastwick project in Philadelphia, in my district. Established businesses built up over the years—family businesses—are forced to relocate. Under present law, they receive their moving expenses up to a maximum of $3,000, and that is all. If they rent present quarters, they receive nothing further. If they own the building, they receive the fair value as determined under the law, but it is seldom comparable to what they would then have to pay for similar accommodations in other established neighborhoods.

Consequently, this bill will be very helpful in such situations. The $3,000 top limitation on moving expenses is repealed, and those businesses with heavy

machinery and equipment will be able to collect their actual certified moving costs.

In addition, and far more important to most firms affected, is the provision in this bill which would make them eligible for very low interest small business loans under the same terms now available to a small business affected by a catastrophe. For many of our long-established small businesses dislocated by urban renewal, it is a catastrophe. This bill now recognizes that fact.

Such loans may be made for periods not exceeding 20 years and for interest rates not exceeding 3 percent per year. If a participation loan is worked out with private banks or other lending institutions acting jointly with the Small Business Administration, then the interest ceiling of 3 percent applies only to the Government's share of the loan.

I am happy to know that my efforts in the previous Congress to get help for the small businessmen affected by urban renewal have now brought us a long step forward toward justice and equity for these firms. And I thank the Housing Subcommittee for holding to its promise to me to go into this issue as it has.

Mr. ELLIOTT. Mr. Chairman, as one who has supported the farm housing program since its inception in 1949, I am pleased to rise in support of the farm housing provisions of the Housing Act of 1961.

The underlying philosophy that supports this legislation is that rural families need and deserve decent, safe, and sanitary housing as much as city families do. The various housing programs that have done so much to improve living conditions in cities are not generally adapted to rural needs. President Kennedy recognized this problem when he said that "almost a fifth of the occupied houses in the rural areas of America are so dilapidated that they must be replaced. Hundreds of thousands of other rural homes are far below the level of comfort and convenience considered adequate in our Nation."

The concept of the farm housing program is simple. Loans are made by the Farmers Home Administration for the construction and repair of farm homes and other essential farm buildings to families who need better housing and who are unable to obtain the necessary financing from conventional sources. The new bill also provides for a grant to be used in research to develop lower cost rural housing and for loan insurance to back loans made by nongovernment lenders.

The loans for farm service buildings, such as poultry and dairy buildings, help to place the borrower's farm on a sound operational basis. Thus, farmers will be able to keep pace with the changing requirements of agriculture such as meeting grade A milk market regulations, and to change from the production of commodities which are in surplus to those which are in lively demand.

Under the provisions of this bill, all rural residents—not necessarily farmers—who do not have access to the financial assistance provided through other housing programs, will be able to qualify for farm housing loans. This will be a great boon to families who live in the country but make their living in towns and have previously been bypassed by other types of housing programs. They, along with the others eligible for loans, will no longer be required to give a mortgage on their farms, a provision which has unnecessarily slowed the pace and increased the expense of obtaining a farmhouse improvement loan in the past.

As for the contribution that the farm housing loan program can make to the development of rural areas, I can think of no single measure that will be more useful. The construction and repair of farmhouses not only raises the standard of living of the families concerned but provides employment for plumbers, electricians, carpenters, and masons as well as it stimulates the contracting, building supply, and household furnishing businesses in nearby communities.

In Alabama, as of December 31, 1960, 2,593 loans totaling $17,405,328 had been made, of which $3,500,000 were made in the district I have the privilege to represent in the Congress. One-fifth of these loans have already been repaid, while those still in debt are meeting their installments even faster than the rate requires. At present, 533 loan applications from my State are pending—almost twice as many as were pending just 1 year ago.

The present authority for making farm housing loans expires on June 30. The Housing Act of 1961 would extend the program for 4 years. This bill would also enable the Farmers Home Administration to lend funds which the Congress had previously made available for this purpose but which a short-sighted policy of the previous administration had withheld from the farmers who are so desperately in need of this service.

The farm housing program has proven itself to be sound throughout the country as well as in Alabama. The need for these loans is clear, and I strongly recommend the continuation and improvement of this service to farmers as provided in H.R. 6028, the Housing Act of 1961.

Mr. DURNO. Mr. Chairman, I live in an area of this great country that is quite unlike that of the remainder of my colleagues. I come from a land that furnishes the raw material for homes. Our economy, our prosperity, and our future is inseparably linked with housing, with the orderly construction of homes and with the production of other finished products of the wood processing industry.

My State of Oregon has the largest stands of virgin timber left in this country. Two-thirds of that timber is in the Federal reservoir of the national forests. My congressional district alone manufactures 75 percent of the plywood produced in the United States. Of the 8 communities of the Fourth District of Oregon, ranging in population from 5,000 to 50,000, there has been in the past 12 to 18 months 10 to 20 percent of unemployment in our labor force. I have seen hunger, poverty, and distress. We have lived in a truly depressed area.

The interests of my district require that I vote for a housing bill. I would like to vote for a bill that would not compromise my sanity, my business judgment, and jeopardize the financial solvency of my country. My desire to vote for a legitimate bill prompts the writing of these thoughts. I can see little difference between reaching down in one's trouser pocket and paying for something or going to the bank and borrowing it on your reputation. In either event you are going to have to pay for what you want to spend. I can see very little incentive for a man to own his home when it is going to cost him two and one-half times what he thinks it will and at the end of 10 years have an equity of less than $400 in that home. In my opinion, there will be few castles created. Rather we will be moving the slums into modern suburbia for their future demolition. It is indeed alarming to know that the American taxpayer is going to be called upon to pay in subsidizing public housing rental units $120 a year for 40 years. When one takes into consideration the additional feature of $2 billion for urban renewal it is easy to arrive at a figure which is fantastic and which we would load on to our children and our children's children. They undoubtedly will have problems of their own and it is totally unfair, in my opinion, for us to create and leave this legacy to them.

Another fantastic creation is this purchase of the great outdoors in our urban areas. The Federal Government has no business in the real estate market. Far better would be the solution if the creation of parks and public lands were made a part of the program from the local level and made mandatory to real estate speculators in subdivision projects. Finally, in the face of the tense international situation of today we have no business in legislating for future Congresses.

That is not all. We are about to raise the debt limit $13 billion. We are soon to have before us three educational bills involving additional billions. We will have the omnibus farm proposal, the cost of which can only be speculative. Finally, we are going to be asked to appropriate moneys for mutual security and economic aid to more than 70 nations. That, Mr. Chairman, and Members of the Congress, is the reason that I am frightened, frightened about the future of my country.

I have voted for a housing bill of 1 year's duration which would do the same thing H.R. 6028 would do. At this time we should reevaluate the problem which confronts us. I have voted for the many amendments which would take some of the financial sting out of the monstrous bill that undoubtedly will pass on the floor of this House today. I have voted for a recommittal of H.R. 6028 to the committee for a restudy in the hopes that they might come up with a more conservative plan which would be acceptable to this body. If all of these things that I have voted for fail in their designed purpose then I shall finally vote

for the passage of this bill because I feel that the people of my district and my State must have relief from the present doldrums which exist in our lumber industry. It is with deep regret that I have to do this. I can only hope that the Congress, in its infinite wisdom, will see fit to provide tax moneys to pay for the extravaganza we are creating today.

The CHAIRMAN. All time has expired.

The question is on the committee amendment as amended.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6028) 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, pursuant to House Resolution 350, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

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

The SPEAKER. The Chair assumes the gentleman is opposed to the bill?

Mr. McDONOUGH. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McDONOUGH moves to recommit the bill H.R. 6028 to the Committee on Banking and Currency with instructions to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert the following: "That this Act may be cited as the 'Housing Act of 1961'.

"FHA INSURANCE PROGRAMS

"SEC. 2. (a) Section 2(a) of the National Housing Act is amended by striking out in the first sentence '1961' and inserting in lieu thereof '1962'.

"(b) Section 203(a) of such Act is amended by striking out the colon and all that follows the colon and inserting in lieu thereof a period.

"(c) Section 217 of such Act is amended—

"(1) by striking out 'all mortgages which may be insured' and inserting in lieu thereof 'all mortgages and loans which may be insured';

"(2) by striking out 'shall not exceed' and the remainder of the first paragraph and inserting in lieu thereof the following: 'after October 1, 1962, shall not exceed the sum of (1) the outstanding principal balances as of that date of all insured mortgages and loans (as estimated by the Commissioner based on scheduled amortization payments without taking into consideration prepayments or delinquencies), and (2) the principal amount of all outstanding commitments to insure on that date:';

"(3) by inserting 'after October 1, 1962' before the period at the end of the first sentence in the third paragraph; and

"(4) by striking out 'hereafter' in the second sentence of the third paragraph and inserting in lieu thereof 'after that date'.

"(d) Section 803(a) of such Act is amended by striking out '1961' and inserting in lieu thereof '1962'.

"DIRECT LOANS FOR THE ELDERLY

"SEC. 3. Section 202(a)(4) of the Housing Act of 1959 is amended by striking out '$50,000,000' and inserting in lieu thereof '$100,000,000';

"URBAN RENEWAL CAPITAL GRANT AUTHORIZATION

"SEC. 4. Section 103(b) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: 'The Administrator may, with the approval of the President, contract to make grants under this title aggregating not to exceed $2,000,000,000. In addition to amounts authorized under the preceding sentence, there is authorized to be appropriated for the purpose of making contracts, after appropriations therefor, for grants under this title, the sum of $500,000,000; and amounts so appropriated shall remain available until expended.'

"COLLEGE HOUSING LOAN AUTHORIZATION

"SEC. 5. Section 401(d) of the Housing Act of 1950 is amended by striking out the first colon and all that follows and inserting in lieu thereof the following: ', which amount shall be increased on and after July 1, 1961, by such amounts, not exceeding $300,000,000 in the aggregate, as may be specified from time to time in appropriation Acts: *Provided*, That the amount outstanding for other educational facilities, as defined herein, shall not exceed $175,000,000, which limit shall be increased on and after July 1, 1961, by such amounts, not exceeding $30,000,000 in the aggregate, as may be specified from time to time in appropriation Acts: *Provided further*, That the amount outstanding for hospitals, referred to in clause (2) of section 404(b) of this title, shall not exceed $100,000,000, which limit shall be increased on and after July 1, 1961, by such amounts, not exceeding $30,000,000 in the aggregate, as may be specified from time to time in appropriations Acts.'

"AUTHORIZATION FOR PUBLIC FACILITY LOANS

"SEC. 6. Section 203(a) of the Housing Amendments of 1955 is amended by inserting after '$150,000,000,' the following: "which limit shall be increased by such amounts, not exceeding $50,000,000 in the aggregate, as may be specified from time to time in appropriation Acts,'.

"FARM HOUSING LOANS

"SEC. 7. Sections 511, 512, and 513 of the Housing Act of 1949 are each amended by striking out '1961' and inserting in lieu thereof '1962'.

"VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

"SEC. 8. Section 610(a) of the Housing Act of 1954, is amended by striking out '1961' and inserting in lieu thereof '1962.'"

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

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 197, nays 215, answered "present" 2, not voting 23, as follows:

[Roll No. 95]

YEAS—197

Abbitt	Fisher	Murray
Abernethy	Ford	Nelsen
Adair	Fountain	Norblad
Alexander	Frelinghuysen	Nygaard
Alford	Garland	O'Konski
Alger	Gary	Osmers
Andersen, Minn.	Gathings	Ostertag
	Gavin	Passman
Anderson, Ill.	Glenn	Pelly
Arends	Goodell	Pillion
Ashbrook	Goodling	Pirnie
Ashmore	Griffin	Poff
Auchincloss	Gross	Quie
Avery	Haley	Ray
Ayres	Hall	Reece
Baldwin	Halleck	Reifel
Barry	Harrison, Va.	Rhodes, Ariz.
Bass, N.H.	Harrison, Wyo.	Riehlman
Bates	Harsha	Riley
Battin	Harvey, Ind.	Rivers, S.C.
Becker	Harvey, Mich.	Robison
Beermann	Herlong	Roudebush
Belcher	Hiestand	Rousselot
Bell	Hoeven	St. George
Berry	Hoffman, Ill.	Saylor
Betts	Hoffman, Mich.	Schadeberg
Bolton	Horan	Schenck
Bow	Hull	Scherer
Bray	Jarman	Schneebeli
Bromwell	Jensen	Schweiker
Brooks, La.	Johansen	Schwengel
Broomfield	Jonas	Scott
Brown	Jones, Mo.	Scranton
Broyhill	Judd	Seely-Brown
Bruce	Keith	Short
Burleson	Kilburn	Shriver
Byrnes, Wis.	Kilgore	Sibal
Cahill	King, N.Y.	Siler
Chamberlain	Kitchin	Smith, Calif.
Chenoweth	Knox	Smith, Va.
Chiperfield	Kunkel	Springer
Church	Kyl	Stafford
Clancy	Langen	Taber
Collier	Latta	Teague, Calif.
Colmer	Lennon	Thompson, La.
Conte	Lipscomb	Thomson, Wis.
Corbett	McCulloch	Tollefson
Cramer	McDonough	Tuck
Cunningham	McIntire	Tupper
Curtin	McSween	Utt
Curtis, Mass.	McVey	Van Zandt
Curtis, Mo.	MacGregor	Wallhauser
Dague	Mahon	Weaver
Davis, James C.	Mailliard	Weis
	Martin, Mass.	Westland
Derounian	Martin, Nebr.	Whalley
Derwinski	Mathias	Wharton
Devine	May	Whitener
Dole	Meader	Whitten
Dominick	Miller, N.Y.	Widnall
Dorn	Millikin	Williams
Dowdy	Minshall	Willis
Durno	Moore	Wilson, Calif.
Dwyer	Moorehead, Ohio	Wilson, Ind.
Ellsworth		Winstead
Fenton	Morse	Younger
Findley	Mosher	

NAYS—215

Addabbo	Carey	Farbstein
Addonizio	Casey	Fascell
Albert	Chelf	Feighan
Andrews	Clark	Finnegan
Anfuso	Cohelan	Fino
Ashley	Cook	Flood
Aspinall	Cooley	Fogarty
Bailey	Corman	Frazier
Baker	Daddario	Friedel
Baring	Daniels	Fulton
Barrett	Davis, John W.	Gallagher
Bass, Tenn.	Davis, Tenn.	Garmatz
Beckworth	Dawson	Giaimo
Bennett, Fla.	Delaney	Gilbert
Blatnik	Dent	Granahan
Blitch	Denton	Gray
Boggs	Diggs	Green, Pa.
Boland	Dingell	Griffiths
Bolling	Donohue	Hagan, Ga.
Bonner	Dooley	Hagen, Calif.
Boykin	Downing	Halpern
Brademas	Doyle	Hansen
Breeding	Duiski	Harding
Brewster	Edmondson	Hardy
Brooks, Tex.	Elliott	Harris
Burke, Ky.	Everett	Hays
Burke, Mass.	Evins	Healey
Byrne, Pa.	Fallon	Hechler

Hemphill	Magnuson	Rogers, Tex.
Henderson	Marshall	Rooney
Holifield	Matthews	Rostenkowski
Holland	Miller, Clem	Roush
Holtzman	Mills	Rutherford
Huddleston	Moeller	Ryan
Ichord, Mo.	Monagan	St. Germain
Ikard, Tex.	Montoya	Santangelo
Inouye	Moorhead, Pa.	Saund
Jennings	Morgan	Selden
Joelson	Morris	Shelley
Johnson, Calif.	Morrison	Shipley
Johnson, Md.	Moss	Sikes
Johnson, Wis.	Moulder	Sisk
Jones, Ala.	Multer	Slack
Karsten	Murphy	Smith, Iowa
Karth	Natcher	Smith, Miss.
Kastenmeier	Nix	Spence
Kearns	O'Brien, Ill.	Staggers
Kee	O'Brien, N.Y.	Steed
Kelly	O'Hara, Ill.	Stephens
Keogh	O'Hara, Mich.	Stratton
Kilday	Olsen	Stubblefield
King, Calif.	O'Neill	Sullivan
King, Utah	Patman	Taylor
Kirwan	Perkins	Thomas
Kluczynski	Peterson	Thompson, N.J.
Kornegay	Pfost	Thompson, Tex.
Kowalski	Philbin	Thornberry
Landrum	Pike	Toll
Lane	Pilcher	Trimble
Lankford	Poage	Udall
Lesinski	Powell	Ullman
Libonati	Price	Vanik
Lindsay	Pucinski	Vinson
Loser	Rabaut	Walter
McCormack	Rains	Watts
McDowell	Randall	Wickersham
McFall	Reuss	Wright
McMillan	Rhodes, Pa.	Yates
Macdonald	Rivers, Alaska	Young
Machrowicz	Rodino	Zablocki
Mack	Rogers, Colo.	Zelenko
Madden	Rogers, Fla.	

ANSWERED "PRESENT"—2

Cannon	Gubser

NOT VOTING—23

Bennett, Mich.	Hébert	Roberts
Buckley	Hosmer	Roosevelt
Cederberg	Laird	Sheppard
Celler	Mason	Teague, Tex.
Coad	Merrow	Van Pelt
Flynt	Michel	
Forrester	Miller, George P.	
Grant		
Green, Oreg.	Norrell	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Cannon for, with Mr. Buckley against.

Mr. Gubser for, with Mr. George P. Miller against.

Mr. Van Pelt for, with Mr. Sheppard against.

Mr. Laird for, with Mrs. Green of Oregon against.

Mr. Hosmer for, with Mr. Roosevelt against.

Mrs. Norrell for, with Mr. Celler against.

Mr. Michel for, with Mr. Hébert against.

Mr. Cederberg for, with Mr. Roberts against.

Mr. Mason for, with Mr. Coad against.

Until further notice:

Mr. Teague of Texas with Mr. Merrow.

Mr. Flynt with Mr. Bennett of Michigan.

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

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

Mr. GUBSER. Mr. Speaker, I have a live pair with the gentleman from California [Mr. GEORGE P. MILLER]. If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

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

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 235, nays 178, answered "present" 2, not voting 22, as follows:

[Roll No. 96]

YEAS—235

Addabbo	Green, Pa.	Norblad
Addonizio	Griffiths	O'Brien, Ill.
Albert	Hagan, Ga.	O'Brien, N.Y.
Alexander	Hagen, Calif.	O'Hara, Ill.
Andrews	Halpern	O'Hara, Mich.
Anfuso	Hansen	O'Konski
Ashley	Harding	Olsen
Aspinall	Hardy	O'Neill
Bailey	Harris	Patman
Baker	Harsha	Perkins
Baring	Hays	Peterson
Barrett	Healey	Pfost
Barry	Hechler	Philbin
Bass, Tenn.	Hemphill	Pike
Beckworth	Henderson	Pilcher
Bennett, Fla.	Holifield	Poage
Blatnik	Holland	Powell
Blitch	Holtzman	Price
Boggs	Huddleston	Pucinski
Boland	Ichord, Mo.	Rabaut
Bolling	Ikard, Tex.	Rains
Bonner	Inouye	Randall
Boykin	Jarman	Reuss
Brademas	Jennings	Rhodes, Pa.
Brewster	Joelson	Riehlman
Brooks, Tex.	Johnson, Calif.	Rivers, Alaska
Burke, Ky.	Johnson, Md.	Rodino
Burke, Mass.	Johnson, Wis.	Rogers, Colo.
Byrne, Pa.	Jones, Ala.	Rooney
Cahill	Karsten	Rostenkowski
Carey	Karth	Roush
Chelf	Kastenmeier	Rutherford
Clark	Kearns	Ryan
Cohelan	Kee	St. Germain
Cook	Kelly	Santangelo
Cooley	Keogh	Saund
Corbett	Kilday	Saylor
Corman	King, Calif.	Scranton
Curtis, Mass.	King, Utah	Seely-Brown
Daddario	Kirwan	Selden
Daniels	Kluczynski	Shelley
Davis, John W.	Kornegay	Shipley
Davis, Tenn.	Kowalski	Sikes
Dawson	Landrum	Sisk
Delaney	Lane	Slack
Dent	Lankford	Smith, Iowa
Denton	Lennon	Smith, Miss.
Diggs	Lesinski	Spence
Dingell	Libonati	Staggers
Donohue	Lindsay	Steed
Dooley	Loser	Stephens
Downing	McCormack	Stratton
Doyle	McDowell	Stubblefield
Dulski	McFall	Sullivan
Durno	Macdonald	Taylor
Dwyer	Machrowicz	Thomas
Edmondson	Mack	Thompson, La.
Elliott	Madden	Thompson, N.J.
Ellsworth	Magnuson	Thompson, Tex.
Everett	Marshall	Thornberry
Evins	Matthews	Toll
Fallon	Miller, Clem	Trimble
Farbstein	Mills	Udall, Morris K.
Fascell	Moeller	Ullman
Feighan	Monagan	Vanik
Finnegan	Montoya	Van Zandt
Fino	Moore	Vinson
Flood	Moorehead, Ohio	Wallhauser
Fogarty	Moorhead, Pa.	Walter
Fountain	Morgan	Watts
Frazier	Morris	Whitener
Friedel	Morrison	Wickersham
Fulton	Moss	Willis
Gallagher	Moulder	Wright
Garmatz	Multer	Yates
Giaimo	Murphy	Young
Gilbert	Natcher	Zablocki
Granahan	Nix	Zelenko
Gray		

NAYS—178

Abbitt	Auchincloss	Berry
Abernethy	Avery	Betts
Adair	Ayres	Bolton
Alford	Baldwin	Bow
Alger	Bass, N.H.	Bray
Andersen, Minn.	Bates	Breeding
	Battin	Bromwell
Anderson, Ill.	Becker	Brooks, La.
Arends	Beermann	Broomfield
Ashbrook	Belcher	Brown
Ashmore	Bell	Broyhill
Bruce	Hoeven	Poff
Burleson	Hoffman, Ill.	Quie
Byrnes, Wis.	Hoffman, Mich.	Ray
Casey	Horan	Reece
Chamberlain	Hull	Reifel
Chenoweth	Jensen	Rhodes, Ariz.
Chiperfield	Johansen	Riley
Church	Jonas	Rivers, S.C.
Clancy	Jones, Mo.	Robison
Collier	Judd	Rogers, Fla.
Colmer	Keith	Rogers, Tex.
Conte	Kilburn	Roudebush
Cramer	Kilgore	Rousselot
Cunningham	King, N.Y.	St. George
Curtin	Kitchin	Schadeberg
Curtis, Mo.	Knox	Schenck
Dague	Kunkle	Scherer
Davis, James C.	Kyl	Schneebeli
	Langen	Schweiker
Derounian	Latta	Schwengel
Derwinski	Lipscomb	Scott
Devine	McCulloch	Short
Dole	McDonough	Shriver
Dominick	McIntire	Sibal
Dorn	McMillan	Siler
Dowdy	McSween	Smith, Calif.
Fenton	McVey	Smith, Va.
Findley	MacGregor	Springer
Fisher	Mahon	Stafford
Ford	Mailliard	Taber
Frelinghuysen	Martin, Mass.	Teague, Calif.
Garland	Martin, Nebr.	Teague, Tex.
Gary	Mathias	Thomson, Wis.
Gathings	May	Tollefson
Gavin	Meader	Tuck
Glenn	Miller, N.Y.	Tupper
Goodell	Millikin	Utt
Goodling	Minshall	Weaver
Griffin	Morse	Weis
Gross	Mosher	Westland
Haley	Murray	Whalley
Hall	Nelsen	Wharton
Halleck	Nygaard	Whitten
Harrison, Va.	Osmers	Widnall
Harrison, Wyo.	Ostertag	Williams
Harvey, Ind.	Passman	Wilson, Calif.
Harvey, Mich.	Pelly	Wilson, Ind.
Herlong	Pillion	Winstead
Hiestand	Pirnie	Younger

PRESENT—2

Cannon	Gubser

NOT VOTING—22

Bennett, Mich.	Green, Oreg.	Miller, George P.
Buckley	Hébert	Norrell
Cederberg	Hosmer	Roberts
Celler	Laird	Roosevelt
Coad	Mason	Sheppard
Flynt	Merrow	Van Pelt
Forrester	Michel	
Grant		

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Cannon against.

Mr. George P. Miller for, with Mr. Gubser against.

Mr. Sheppard for, with Mr. Van Pelt against.

Mrs. Green of Oregon for, with Mr. Laird against.

Mr. Roosevelt for, with Mr. Hosmer against.

Mr. Celler for, with Mrs. Norrell against.

Mr. Hébert for, with Mr. Michel against.

Mr. Merrow for, with Mr. Cederberg against.

Mr. Roberts for, with Mr. Mason against.

Until further notice:

Mr. Coad with Mr. Bennett of Michigan.

Mr. CANNON. Mr. Speaker, I have a pair with the gentleman from New York [Mr. BUCKLEY]. If he had been present he would have voted "yea." I withdraw my vote of "nay" and vote "present."

Mr. GUBSER. Mr. Speaker, I have a live pair with my colleague from California [Mr. GEORGE P. MILLER]. Had he been present he would have voted "yea." I withdraw my vote of "nay" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RAINS. Mr. Speaker, pursuant to the rule, I call up S. 1922 and move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 6028 as passed by the House.

The Clerk read the title of the Senate bill.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all after the enacting clause of S. 1922 and insert in lieu thereof the provisions of H.R. 6028 as passed by the House.

The amendment was agreed to.

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

A similar House bill (H.R. 6028) was laid on the table.

A motion to reconsider was laid on the table.

Mr. RAINS. Mr. Speaker, I move that the House insist on its amendment to the Senate bill and request a conference with the Senate.

The motion was agreed to, and the Speaker appointed the following conferees: Messrs. SPENCE, PATMAN, RAINS, MULTER, KILBURN, MCDONOUGH, and WIDNALL.

GENERAL LEAVE TO EXTEND

Mr. RAINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

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

There was no objection.

WE MUST MOVE TO PROTECT CONSUMERS AGAINST SKYROCKETING NATURAL GAS RATES

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. HECHLER], is recognized for 30 minutes.

Mr. HECHLER. Mr. Speaker, we must take action to protect the consumers of this Nation against skyrocketing natural gas rates.

In my State of West Virginia, we produce more natural gas than we consume. However, because of the need of transporting gas over long distances—particularly from the southwest to the northeastern seaboard—and the "zone formula" used by the Federal Power Commission in fixing rates, West Virginians have been among the many victims of the inflationary temporary-increase spiral. This has been true even though, from a strict standpoint of supply and demand, we ought to be in pretty good shape under the current practices and procedures and workings of the economic system.

Under the present law, rate increases may be suspended by the Federal Power Commission for up to 5 months. I submit that this is too short a period, and it is highly unrealistic under present-day circumstances. It works a hardship on all those involved in gas production and consumption except the transmission companies.

This 5-month provision of the law is simply an invitation to the pipeline operators to seek exorbitant rate increases, and before the cases are decided or are dragged out through the courts, to ask for more and more increases and to collect the extra money from the consumers while these cases are pending. Because of the tremendous case backlog which has piled up on the FPC's docket in the past few years, it will take many more years before a majority of these pending cases will be finally resolved. And while these cases are pending, consumers and distributors are paying through the nose.

Unless some sharp changes are made in the current situation, the big natural gas producers and transmitters are going to grow fatter and fatter at the expenses of the consumer and distributor.

When it takes months and years for the Federal Power Commission to get down to action on these rate increase applications, often followed by lengthy court tests, the pipeline operators are during this delay period collecting at the requested higher rate from the consumer. Suppose the FPC or the courts disallow the increase; then the overcharged amounts collected must be returned to the consumer plus 7 percent interest. This may sound fair, but 7 percent is a very mild rate of interest for the pipeline companies to pay when you consider that the normal return on equity capital is 10 or 11 percent. So it is easy to see that even if a rate increase petition is disallowed, the pipeline operator is making a clear profit of 3 or 4 percent on the transaction. Thus he is making a neat return through the use of cumbersome delaying tactics of the rate increase procedure.

If his petition is disallowed, he makes 3 or 4 percent in the clear. But think how much more gravy he can wipe up in equity capital if the rate increase is approved. All the time, mind you, he can forcibly borrow these funds from the consumer and invest them as he pleases in plant expansion or anything you please. The hapless consumer provides a constant source of capital like a captive bank.

For a number of years the gas pipeline companies of America have enjoyed a "dream" situation. It seems to me it is high time this "pipedream" is shattered.

It is high time we give more consideration to the consumer, who has for too long been the forgotten man in the long-drawn-out battles over natural gas rate increases. In effect, the taxpayers of the Nation through decisions of the Federal Power Commission have been subsidizing holders of common stock in the natural gas transmission companies.

Now what is the solution? Of course we will have to take steps administratively to cut down the huge backlog of cases and to develop a formula to arrive at quicker devisions on rate applications before the Federal Power Commission. I am not one who feels this is simply a matter of spending more money to add more staff. I think it is important to sweep out all the minor cases which now clutter the desks of the FPC. In other words, we should free small producers from regulations.

But I believe it is important to establish in the statute itself the time-honored principle that once a decision has been made, it ought to stand until a possible change in conditions may demonstrate that the decision is unfair or should be revised. Stated another way, I firmly believe that the pipeline companies should not be allowed to collect any money from consumers, until the FPC has ruled that the proposed rate is sound and justifiable.

Mr. Speaker, I believe we have reached a crisis in skyrocketing natural gas rates, and pyramiding and delayed rate increase cases, which demand sharp and decisive action.

NATIONAL SAFE BOATING WEEK

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. CHAMBERLAIN] is recognized for 30 minutes.

Mr. CHAMBERLAIN. Mr. Speaker, once again the nationwide observance of National Safe Boating Week will take place during the week of July 4. Last year I presented a comprehensive report to my colleagues in the House—a review of the responsibilities and efforts of the Federal Government in the promotion of boating safety. This report was printed in the CONGRESSIONAL RECORD of June 23, 1960. This year I will review the activities and further developments that have taken place since that time.

Pursuant to Public Law 85–911, which I sponsored during the 85th Congress, the President of the United States, on March 4 of this year, signed the following proclamation:

Whereas increasing numbers of our citizens are participating in boating for health and relaxation; and

Whereas this increase in recreational boating has greatly increased the use of our waterways and has intensified the need for close adherence to accepted safe boating practices to prevent needless loss of life and damage to property; and

Whereas continued cooperation among persons and organizations interested in boating is necessary to maintain our steady progress toward the ultimate goal of courteous and safe boating throughout the year; and

Whereas in recognition of the importance of safe boating practices, the Congress, by a joint resolution approved June 4, 1958 (72 Stat. 179), has requested the President to proclaim annually the week that includes July 4 as National Safe Boating Week:

Now, therefore, I, John F. Kennedy, President of the United States of America, do hereby designate the week beginning July 2, 1961, as National Safe Boating Week; and I urge all persons and organizations interested in recreational boating, and the boating industry, Government agencies, and other groups, to observe National Safe Boating Week.

I also invite the Governors of the States, the Commonwealth of Puerto Rico, and other areas subject to the jurisdiction of the United States to join in this observance in an effort to make this year the safest in the history of recreational boating.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington this 4th day of March in the year of our Lord 1961, and of the Independence of the United States of America the 185th.

JOHN F. KENNEDY.

FEDERAL BOATING ACT OF 1958

The Federal Boating Act of 1958, 46 United States Code 527, provides for a standardized system for the numbering and identification of undocumented vessels—including pleasure boats of 10 horsepower and above—and for participation in this program by the several States. Since the effective date of this legislation, April 1, 1960, 39 States have enacted into law numbering systems which have been approved by the Commandant, U.S. Coast Guard, as meeting the standards set forth in this act.

As I reported to you last year, the numbering provisions of the Federal Boating Act were not made applicable to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, and I recommended that these areas should be incorporated into the act by early congressional action. It is my pleasure to advise that legislation to accomplish this purpose has been introduced and as of this date has been passed in the Senate and early action is indicated in the House.

Another most important facet of the Federal Boating Act is the specific directive to the Coast Guard that it shall compile, analyze and publish information obtained from the accident reports which that law made mandatory. The reporting of boating accidents became compulsory on March 10, 1959. Since that time the Coast Guard has published three statistical reports. The first report covered the period of March 10, 1959, to December 31, 1959. The second report covered the period January 1, 1960, to June 30, 1960. To be of real value to the Members of Congress and the boating public, the Coast Guard realized that such a report would be more meaningful based on a calendar year rather than a fiscal year basis. To that end, on May 1 of this year the third report was published, which includes all the data gathered during the calendar year 1960. I understand every Member of Congress has received a copy of this report and I should like to call your attention to several pertinent portions thereof.

In 1960, the Coast Guard and those States with approved numbering systems had numbered 2,450,484 boats, of which my own State of Michigan numbered 343,968. Of these nearly 2½ million boats, 3,785 were involved in reportable accidents resulting in 819 fatalities, 929 personal injuries incapacitating the victim for more than 72 hours, and $3,192,000 in property damage. It is sad to note that by far the greatest number of lives were lost due to capsizing, a total of 332.

As would be expected, boating accidents occur in direct proportion to the activity. That is, the summer months account for the greatest number of boating accidents. In 1960 the months of June, July, and August, with the addition of Labor Day weekend in September, accounted for 41 percent of the reported accidents. Similarly, the time of day during which most accidents occurred was the middle of the afternoon.

COAST GUARD EDUCATION PROGRAM

What is being done to halt this national tragedy? The Commandant of the Coast Guard, Adm. A. C. Richmond, recently stated:

> Safety afloat is a combination of education, commonsense, and courtesy. The Coast Guard and the Coast Guard Auxiliary endeavor to assist boat owners and operators by recommending safe boating practices and sponsoring educational materials and classes. The remaining safety elements of commonsense and courtesy must be supplied by you—the boating public. Only with your help can we make our partnership in boating safety a success. Help us to halt the growing record of needless death and injury.

The educational program by the Coast Guard in the field of boating safety continues to receive major emphasis at all levels of command. During the year 1960 the Coast Guard developed and produced two educational films for use by boating groups. The first, "Coast Guard Auxiliary," presents the story of the auxiliary, its mission, origin, history, organization, functions, and accomplishments, with emphasis on current and projected activities in the field of promotion of boating safety. The second, "Search and Rescue—Pleasure Craft," reveals the existence and explains the operation of the search and rescue network as it applies to surface craft, especially pleasure boats. It details specifically the proper procedure to be followed by vessels in distress in obtaining search and rescue assistance. In 1961, the Coast Guard expects to release two additional films on safe boating. One, "Boating Safety—A," provides information regarding proper utilization of safety equipment aboard pleasure craft such as various types of life preservers, fire extinguishers, communications, flame arrestors and ventilators, electrical circuits, and batteries. It demonstrates the "how" as well as the "what" of safety equipment. The other, "Boating Safety—B," covers additional safety subjects. These two films will provide sound training for the novice boat operator and his passengers to meet emergencies when they occur.

These films, together with several others covering boating safety, are available for public showing upon application to the Commandant or any of the Coast Guard district commanders.

A guide manual for the beginning boatman entitled "Recreational Boating Guide" was published last year and went on sale at 40 cents a copy through the Government Printing Office. The initial printing of this publication was 57,500 copies. These copies were all sold by the end of the year 1960 and a new issue has just recently become available, 25,500 copies of the new issue have already been sold, and of the 30,000 on hand the Government Printing Office expects they will be sold in 3 months. All Members of the Congress were furnished copies of this guide by the Coast Guard. The contents of the guide include: Numbering your boat; minimum equipment requirements; other recommended equipment; responsibilities when operating; aids to navigation; hints on safety afloat; under sail; paddle and oars; emergency procedures; and Coast Guard Auxiliary. As appendixes to the guide are the Federal Boating Act of 1958; act of April 25, 1940, Motorboat Act; Coast Guard district offices, Rescue Coordination Center telephone numbers, and marine inspection offices; maps of the United States showing Coast Guard district boundaries; and Government publications of interest to the boatman.

In addition to the foregoing, the Coast Guard published pamphlets and booklets setting forth various requirements and information for the guidance of the boating public. During the fiscal year 1961, the Coast Guard published and distributed the following:

Title:	*Number of copies*
Pleasure Craft	1,500,000
Rules and Regulations for Uninspected Vessels	25,000
Rules and Regulations for the Numbering of Undocumented Vessels and the Reporting of Boating Accidents	100,000
Rules and Regulations for Small Passenger Vessels	20,000
Rules of the Road (International, Inland)	150,000
Rules of the Road (Great Lakes)	25,000
Rules of the Road (Western Rivers)	10,000
Pleasure Boat Safety, 1961	200,000

I should like to call your attention to a monthly magazine published by the Coast Guard. It is the "Proceedings of the Merchant Marine Council." This magazine is published under the auspices of the Office of Merchant Marine Safety in the interest of safety at sea. Articles on safety for both the commercial operator and recreational boatman are to be found in each issue. The Coast Guard is very proud of this magazine, and deservedly so, as the National Safety Council, for the past 4 years, has presented an award of merit in recognition of exceptional service in the promotion of safety.

Of especial interest at this time is the April 1961 issue which is confined solely to recreational boating. The response to this issue by industry and the public resulted in the Coast Guard's decision to reprint it as "Pleasure Boat Safety." The Commandant has advised that copies are available upon request. There are three articles of particular interest to everyone interested in boating safety—"Boating Safety—Everyone's Business," "The Small Boat v. the Large Vessel," and "This Can Happen to You."

COAST GUARD AUXILIARY

The Coast Guard Auxiliary, established by the Congress in 1939 to promote small boat safety and education, continued its growth in membership and public services.

The 20,000 members of the auxiliary contributed to the small boating safety program by conducting educational programs, performing courtesy motorboat

examinations, and rendering prompt aid and assistance when practical. During 1960, the auxiliary activities were as follows:

Number of persons instructing in safe boating practices	121,000
Number of persons shown boating safety films	627,631
Number of courtesy motorboat examinations	121,000
Number of cases assistance rendered	3,525
Number of races and regattas patroled	890
Number of lives saved	142

The courtesy motorboat examination is of especial interest concerning boating safety. Qualified members of the auxiliary make this examination upon request of the boatowner. The auxiliary examiner has a checkoff list of legal equipment requirements and other equipment recommended for greater safety afloat. There is no charge and no report of deficiencies is made to the regular Coast Guard. If the boat qualifies in all respects, an auxiliary decal, good for 1 year, is awarded. Boats that have this decal will not normally be boarded by Coast Guard law enforcement personnel unless there is evidence of a violation.

It may be of interest to you who represent States having an approved numbering system, that the law enforcement personnel in the following 27 States will also accept the auxiliary decal as evidence of compliance with the State laws: Alabama, California, Delaware, Florida, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New York, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, West Virginia, and Wisconsin.

LAW ENFORCEMENT

Closely alined with the Coast Guard's education program regarding small boats is its enforcement program. The Coast Guard has no separate organization established solely for small boat law enforcement duties. The task is accomplished by its operating units in conjunction with their many other jobs. These regular operating units are located along our coasts, the Great Lakes, and the western rivers.

The Federal laws regarding motorboats apply to all the navigable waters of the United States. Many of these waters are located out of range of existing Coast Guard units. To cover these waters, far from an existing unit, the Coast Guard has established mobile boarding units. These units, consisting of four enlisted men, a lightweight outboard motorboard with trailer, and a vehicle suitable for hauling both personnel and trailer, travel overland from one water area to another, operating in each area for various lengths of time, depending upon local need. Together with their primary duty of law enforcement, they conduct training courses for the boating public, and search and rescue work within their capabilities.

As an experiment last year, the 9th Coast Guard District, in which my home State is located, leased a houseboat and based a boarding unit thereon. This houseboat was located in the Put-in-Bay area on Lake Erie. This summer the houseboat will be located at Put-in-Bay for several weeks and will then be moved to a location near Grosse Isle, Mich.

One important tool provided the Coast Guard in its law-enforcement work is the provision of the Federal Boating Act of 1958 which authorizes the imposition of a penalty of $100 on one who operates his vessel in a reckless or negligent manner. Prior to the enactment of this act, an operator cited for reckless or negligent operation could be proceeded against only under a criminal action. This provision permits appropriate action to be taken against those whose actions are not serious enough to warrant criminal action.

During the year 1960, a total of 314 citations were issued which charged individuals with reckless or negligent operation.

By far the largest number of violations noted during the past year had to do with the lack of, or improper type of, equipment required by the act of April 25, 1940. These equipment requirements are minimal for safety, and a total of 6,492 violations were found, primarily lack of proper lifesaving appliances.

STATE AND COAST GUARD COOPERATION

In all phases of marine safety the Commandant of the Coast Guard is authorized to promulgate such regulations as he considers necessary. To carry out this function, the Coast Guard has established the Merchant Marine Council, which serves as a deliberative body to advise the Commandant as to policy in connection with and affecting maritime safety.

To effectively carry out these functions the Merchant Marine Council coordinates these matters with groups of experts in various fields through established advisory panels. To assist in cooperative measures with States toward implementing the Federal Boating Act of 1958, and to assist in carrying out the intent of Congress, the Advisory Panel of State Officials was established in 1959.

The panel has held two important meetings during the past year, one in Chicago on November 28 and 29, in which some 35 States participated, and the other on April 7 of this year. This last meeting was attended by panel members only.

At the Chicago meeting the problem of a uniform system of waterway markers, similar to highway traffic signs, was brought up for discussion. It was pointed out that for many years, in fact since the automobile was first introduced, a uniform nationwide system of highway signs did not exist. In the interests of the boating public, it was decided that this disparity should not be permitted on the waters of our country.

A special committee was appointed to study the problem and to recommend to the panel a system that could be used nationwide. The chairman of this committee is Keith Wilson, director of the Michigan State Waterways Commission, who is also a member of the panel. The committee held several meetings and presented their findings to the panel on April 7 of this year, which were adopted unanimously. Following the panel meeting, the Governors and the boating law administrators of each State were advised of this decision, with the request that the system be made effective immediately. Basically, the standards adopted will permit the use of these symbols—a diamond, a circle, and a rectangle. The diamond shape indicates "danger" and no entry of boats. A circle indicates "control," such as speed limitations, "no wake" areas, etc. The rectangular shape is for information only, such as directions, distances, etc. To complete this program there are remaining a few minor details that the committee is working on and it is expected these will be ironed out in time for the next panel meeting on October 31 of this year in San Francisco.

FORWARD PLANNING

Last year the board of directors of the National Safety Council directed the chairman of the board to appoint a public safety committee to promote a nationwide safety program in the fields of recreational boating and water safety, recreational shooting, and general aviation. The recreational boating and water safety committee has as its first chairman Adm. A. C. Richmond, Commandant, U.S. Coast Guard.

The initial meeting of the committee was held at Chicago on October 20, 1960. An organizational meeting was held in the morning, followed by three panel discussions on "Accident Statistics," "Safety Information," and "Construction Standards." That afternoon six very interesting papers were presented covering the entire gamut of water safety. The program for this year's meeting has not as yet been firmed up, but it is anticipated that many worthwhile proposals will be suggested to improve our Nation's safety program in and on the water.

National Safe Boating Week—focusing attention upon the need of pleasure boatmen to know and comply with safe boating practices and regulations—will get underway on Sunday, July 2. The growing success of this annual observance is particularly gratifying to the Coast Guard and its civilian affiliate, the Coast Guard Auxiliary—original sponsors—and to the many who previously supported the event. In the 85th Congress it was my pleasure to assist in this important program by sponsoring a joint resolution authorizing National Safe Boating Week as an annual observance by Presidential proclamation.

To legislate commonsense and carefulness into the minds of almost 40 million boatmen is an impossible task. To attempt to do so by education and persuasion is a tremendous assignment and obviously beyond the capabilities of any one organization to carry out alone. A National Safe Boating Week Committee, whose membership includes the Coast Guard, Coast Guard Auxiliary, American Boat & Yacht Council, American National Red Cross, American Yachtsmen's Association, National Council, Boy Scouts of America, Girl Scouts, National Association of Engine & Boat Manufacturers,

National Association of Marine Dealers, National Safe Boating Association, National Safety Council, Outboard Boating Club of America, U.S. Power Squadrons, and the Yacht Safety Bureau, sponsors this annual event. The committee solicits and coordinates the cooperative programs of the marine industry, boating, and safety groups. It is especially gratifying to know that this year the effective strength of the local safe boating committee system has topped 1,000 units. Capt. Richard Baxter, U.S. Coast Guard, national committee chairman, in a press release on June 17 announced:

This is the most successful boat safety campaign in the history of National Safe Boating Week. Committees working on the community level have programs designed to be operational all year long, and much of the safety material produced for National Safe Boating Week will be used throughout the boating season.

To those organizations that are members of the national and local committees for National Safe Boating Week I should like to extend a "well done." I urge all groups concerned with boating safety to join in the activities and promotions of National Safe Boating Week. Remember, boating safety is everyone's business.

ADJOURNMENT OVER

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

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

There was no objection.

CALENDAR WEDNESDAY

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

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

There was no objection.

U.S. COMMISSION ON NORTH ATLANTIC TREATY ORGANIZATION

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H.J. Res. 463) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

JOINT RESOLUTION TO EXTEND THROUGH JUNE 30, 1962, THE LIFE OF THE U.S. CITIZENS COMMISSION ON NORTH ATLANTIC TREATY ORGANIZATION

Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the joint resolution approved September 7, 1960 (Public Law 86–719, 74 Stat. 818), is amended by striking out "January 31, 1962" and inserting in lieu thereof "June 30, 1962".

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if the gentleman could tell me how much money this Commission for NATO has had to spend on a staff to produce a report at the time it was supposed to make this report?

Mr. McCORMACK. My recollection is that the authorization amounted to $250,000; that $125,000 was appropriated for the present fiscal year, but on account of the lateness of the Commission starting they probably will not use the full amount this year. There is $100,000 in the appropriation bill for the next fiscal year; in other words, the remainder of the appropriation will be $125,000.

Mr. GROSS. Well, I hope before this Commission comes in for another appropriation that we might have a little better evidence of proficiency on the part of the Commission and its staff in meeting the date that they set for the report.

I withdraw my reservation of objection, Mr. Speaker.

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

There was no objection.

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

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a letter sent by Secretary Rusk to Hon. William L. Clayton and also a letter sent by Secretary Rusk to the Honorable Christian A. Herter, who were both members of this Commission.

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

There was no objection.

The letters are as follows:

THE SECRETARY OF STATE,
Washington, June 16, 1961.

Hon. WILLIAM L. CLAYTON,
Cochairman, U.S. Citizens Commission on NATO, Washington, D.C.

DEAR WILL: Thank you for your letter of May 8, 1961, concerning a possible extension of Public Law 86–719, as well as your letter of May 23, covering the results of your European trip.

Mr. Ivan B. White, Deputy Assistant Secretary for European Affairs, discussed a possible extension with the staff of the Senate Foreign Relations Committee on May 23, and it was suggested then that the Commission either approach the committee directly or through those Members of Congress who were the sponsors of the original legislation. We are, of course, prepared to support an extension of the legislation if the committee calls upon us to express our views.

I also understand that Senator WILEY has meanwhile already submitted Senate Joint Resolution 93 to extend the life of the Commission until June 30, 1962. It seems, therefore, that the necessary action is already underway. However, if the Department can be helpful in any other way in this matter, please do not hesitate to let me know.

The President did not have an opportunity to raise this subject with President de Gaulle. However, we understand from the Embassy in Paris that Gaston Monnerville did discuss the formation of a French commission with President de Gaulle and that the latter appeared quite interested.

I enjoyed talking with you and Chris Herter the other day and appreciate your interest in Atlantic affairs.

With warm personal regards,

Sincerely,

DEAN RUSK.

THE SECRETARY OF STATE,
Washington, June 16, 1961.

Hon. CHRISTIAN A. HERTER,
Cochairman, U.S. Citizens Commission on NATO, Washington, D.C.

DEAR CHRIS: Thank you for your letter of May 8, 1961, concerning a possible extension of Public Law 86–719, as well as your letter of May 23, covering the results of your European trip.

Mr. Ivan B. White, Deputy Assistant Secretary for European Affairs, discussed a possible extension with the staff of the Senate Foreign Relations Committee on May 23, and it was suggested then that the Commission either approach the committee directly or through those Members of Congress who were the sponsors of the original legislation. We are, of course, prepared to support an extension of the legislation if the committee calls upon us to express our views.

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I enjoyed talking with you and Will Clayton the other day and appreciate your interest in Atlantic affairs.

With warm personal regards,

Sincerely,

DEAN RUSK.

TREASURY DEPARTMENT TAX PROPOSALS

The SPEAKER. Under previous order of the House, the gentleman from Kentucky [Mr. SILER] is recognized for 20 minutes.

Mr. SILER. Mr. Speaker, I would like to quote for you and the RECORD an important statement of President Harold S. Geneen of the International Telephone & Telegraph Corp. that was made before the House Ways and Means Committee on June 7, 1961. This is the statement of Mr. Geneen pertaining to the very important matter of certain tax proposals as they may affect his company. Here is his statement:

STATEMENT OF HAROLD S. GENEEN, PRESIDENT OF INTERNATIONAL TELEPHONE & TELEGRAPH CORP.

Mr. Chairman, gentlemen of the committee, I appreciate the opportunity of appearing before you today with regard to the Treasury proposals to tax the unrepatriated earnings of U.S.-owned foreign corporations.

ITT is the largest American-owned international enterprise in the electronics and telecommunications field. It is 92 percent owned by approximately 150,000 U.S. shareholders. Unlike many American companies doing foreign business, our operations are two-thirds abroad and one-half in Europe—so that the proposed legislation would have an unusual impact on our company.

We operate 22 plants and laboratories in the United States in the States of California,

Illinois, Indiana, Massachusetts, Mississippi, New Jersey, Rhode Island, Virginia, Missouri, and North Carolina, and we are about to break ground for one in Tennessee.

We employ 18,000 people in the United States, and the payroll of these U.S. companies since inception has been approximately $1 billion. These companies were started with and supported by our foreign capital and earnings. These earnings were U.S. taxed on repatriation before investment.

In Latin America we operate 13 plants, laboratories, and radio and telephone operating companies in 8 countries. We have 17,000 employees in this area. Value of our assets there at replacement would approach $300 million. We have been an average of 33 years in these countries, in Argentina for 36 years. These are underdeveloped countries, and our plants were largely financed by European earnings. Such earnings were U.S. taxed on repatriation before investment.

We have other plants in Australia and sales and communication operations throughout the Far East.

In Europe we operate 70 plants and laboratories in 14 countries. We have operating plants, not sales offices, in every country in Europe except Luxembourg. We have 93,000 employees in Europe. Our assets at cost in Europe are $450 million. We have been in these countries for an average of 36 years; our company in Belgium has been in business for 79 years. These companies have largely financed themselves through partial reinvestment of earnings and local borrowings in Europe. This growth has enabled them to finance United States and Latin American development as well as their own.

I.T. & T.'s foreign subsidiaries have remitted 50 percent of earnings except when blocked by currency restriction. They have remitted net $215 million to the U.S. economy in the last 10 years—$166 million of it from Western Europe alone. Last year these subsidiaries remitted $48 million of which $34 million came from Western Europe.

I.T. & T. has incurred serious risks and losses in exposed positions during World War II and recently in Cuba. Our stockholders have taken the brunt of these risks in all these periods. We import little into the United States and maintain an export surplus from the United States. All of our companies are operating or true service performing companies with substance.

SUMMARY

Without going further, the history of this company shows enlightened U.S.-foreign commerce at work.

It proves by example, not words, that under existing law:

1. Foreign companies do remit dividends generously—I.T. & T. 50 percent, all U.S. domestic companies 57 percent.
2. They do not add to the balance of payments problem. They create a favorable flow.
3. They aid trade—and make jobs.
4. They support underdeveloped countries.
5. They borrow capital abroad.
6. Whatever competitive tax methods are available, they do not abuse, and do remit from them.
7. They compete in foreign markets against foreign competition; they support and create jobs in the United States.
8. They add immeasurable value to U.S. prestige and leadership abroad as an example of our economic and political philosophy.

This is an actual example of what responsible U.S.-owned foreign investment, representing the great majority of such investment, actually does—in contrast to the few minor exceptions toward which this proposed legislation would seem to be aimed.

At the outset let me say that I am very much in sympathy with the responsibilities of the Treasury, but I sincerely believe that the methods suggested will not accomplish the purposes claimed. On the contrary, I am convinced that this legislation will result in serious injury to the U.S. economy, to U.S. prestige abroad, and to confidence in the U.S. dollar.

First, while it may be argued that this legislation would result in some short-term increase in U.S. tax collections, I submit that the amount would be insignificant and the benefits very short lived. The long-term effect would be a substantial decrease in U.S. tax revenues. Our foreign competition will force these issues.

At the present time, a U.S.-owned corporation in Belgium, for example, pays no more income tax than its Belgian-owned competitor. If the U.S.-owned corporation is now, in effect, required to pay incomes taxes at the higher U.S. rate, its competitive position in Belgium will be damaged.

There has been some suggestions before your committee that the added tax burden on our foreign operations—an added burden not paid by our competition—is not really a significant or measurable burden because (a) it is an income tax, a tax on profits not a cost, and (b) it is going to be levied against the parent corporation in the United States and merely measured by the earnings of its foreign subsidiaries.

On the first of these points, it should be enough to say that any company consistently carrying large discriminatory tax burdens against large and capable competitors will lose its competitive position, and the demise when effected will be sharp and irretrievable. Anyone in business knows this.

On the second point, I want to make it clear that semantics will not change the true character of the burden.

The theory is that the proposed tax would not be imposed upon the Belgium corporation but upon its owners. From the point of view of a practical operating executive, the internal as well as external decisions will be based on the true facts of the incidence of the tax burden and it will soon be acknowledged in actions at all levels, internally and externally, that the tax is on the Belgium company because this is where the liability arises.

Obviously, such a tax cannot be passed on to the Belgian consumer, because it is a tax levied only against American-owned corporations in Belgium.

It is abundantly clear also that in other ways these proposals would fail to bring in new revenues to the United States in any significant amount, while at the same time placing our foreign operations at a competitive disadvantage on the local scene.

For example, in the case of Belgium. No mention was made in the testimony of Belgian withholding taxes. The proposed tax on the retained earnings would increase under the new legislation from approximately 30 percent to 52 percent. However, on the actual payment of the dividends, a withholding tax of 30 percent would be applied resulting in an overall Belgian tax on repatriated earnings of approximately 45 percent.

Hence these earnings of the Belgian company would now be taxed at an increased rate of 22 percentage points over our competitors' rates in order to bring only a net increase of 7 percent to the Treasury of the United States. Moreover, for the company to insure prompt U.S. tax credits applicable to these Belgian taxes, it would be necessary to physically pay these dividends to the United States and then to return the remainder after tax to Belgium, plus the additional amounts from the United States needed to make up the 22-percent increase in the tax.

The transaction itself is sufficient to identify these proposed new U.S. taxes as being literally imposed upon the Belgian operations and, moreover, they present an open invitation to increased retaliatory taxes through higher withholding rates by the local governments.

Thus, this additional tax will realistically become another cost chargeable to the Belgian operation and will render it noncompetitive.

I.T. & T. subsidiaries will be less able to compete in terms of prices since they will have lesser profit margins after taxes. Our competitors will have greater flexibility to meet price competitions.

Lower earnings will reduce our ability to attract capital. Our competitors will be able to raise money more easily and cheaply.

We will have less retained earnings than our competitors for expansion, modernization, research, and development.

Customers, especially those many customers that are public bodies peculiarly sensitive to national considerations, will become dissatisfied. The morale of local management and employees will be adversely affected.

Host governments, resenting the action, may be expected to take their business elsewhere and retaliate by raising their own taxes to 52 percent in order to frustrate U.S. levies on these local unrepatriated earnings.

A very substantial percentage of the production of I.T. & T.'s foreign subsidiaries is sold to the governments of the countries in which they operate. They supply a large share of the telephone equipment of all European administrations. These markets are open only to suppliers located within the countries themselves. Our records show that approximately 85 percent of our European sales are made in the countries in which we manufacture.

We have lived for a long time with the problem of being a foreign-owned company in these countries and selling largely to the postal, telephone, and telegraph administrations of these countries. We have weathered the problems of selling in such markets and repatriating earnings and research and development funds, basing our performance upon reasonable judgment in handling our local responsibilities. We have actual agreements on file with the governments of all of these countries regarding certain aspects of remittance of funds for research and development and costs of home office operations that were long in being worked out.

We certainly cannot handle our foreign companies now in a manner that would break the spirit of these understandings of long duration and that would tend to indicate to such countries that the United States is going to exert a sovereign right to dictate to these national companies regardless of the interests of the local host country.

Someone on this committee has used the phrase "Yankee go home"—we do not want this to happen to these valuable contributing properties. We should not, therefore, reach over into such countries' own corporations and tax in a manner that destroys the relationships of these companies—with their customers, their governments and, since these are loyal nationals, with employees.

The tax would be a severe penalty assessed against a corporation simply because a certain percentage of its stock is held by Americans. The end result would not only be that such a corporation could no longer compete effectively and raise capital for its future, but also that its stock would immediately become more valuable to foreign owners than to Americans. Obviously, one of two things would happen. The corporation would be forced to sell out of the foreign market or the American owners would sell their interests to nationals of other countries who would find the investment more attractive. In either event, the United States would lose the income tax it now derives from these earnings when they are repatriated.

This is the operative effect of the tax proposals under consideration. Contrary to the Treasury testimony, no other nation in the world, including West Germany and England, taxes the foreign earnings of its locally managed foreign enterprises prior to their repatriation. If the United States takes this course, it will stand alone.[1]

The next purpose to be discussed is correction of the present imbalance in our balance of payments. It can be easily demonstrated that mature foreign investment consistently contributes materially to a favorable balance of payments. Let me cite to you some of the figures relating to the experience of I.T. & T. on this subject.

In the last decade I.T. & T. has remitted over $215 million to help the U.S. balance of payments. This is the net amount of the dividends and other receipts from our foreign subsidiaries remitted to the United States after deducting the amount we have sent overseas during the same period.

I.T. & T. has remitted $166 million to the United States through the decade 1951–60 from Europe alone.

The experience of I.T. & T. in this regard is somewhat typical. The Commerce Department statistics show that the largest part of the earnings of U.S.-foreign subsidiaries is derived, naturally, from the developed areas. This is more commonly true in the case of manufacturing operations which are normally conducted through foreign subsidiaries and tend to be heavier in developed markets, than it is in the case of extractive industries, which are more frequently carried on as a branch operation and tend to be established in less developed areas.

The reference in the Treasury testimony to the $400 million deficit attributable to European subsidiaries of U.S. companies in the years 1957–60 is misleading. The European figure, for example, contains an isolated nonrecurring outflow of $370 million in 1960, the Ford purchase of the interests of its British minority.

These are not typical years nor typical situations. In the first 3 of those 4 years, a surplus occurred in the Western European account.

Furthermore, this so-called deficit in Western Europe is computed by taking account only of remitted dividends. It does not include such remittances to the United States from foreign subsidiaries as patent royalties and home office overhead charges, which have risen to nearly $400 million per year now. Of these remittances, $125 million come from subsidiaries of U.S. corporations in Western Europe.

Additionally, these investments in Europe actually generate U.S. exports that would not otherwise be made at all. The I.T. & T. foreign subsidiaries consistently purchase more from the United States than they sell to it, thus contributing net exports to our balance of payments accounts. This is true of all of our foreign business. U.S. exports to U.S.-controlled industry in Europe, mainly conducted through subsidiaries rather than branches, regularly exceed U.S. imports traceable to the same source, the net excess amounting to at least $245 million in 1957, for example.

[1] Testimony to the effect that Germany, England, and in some instances, France, place a tax upon unrepatriated earnings of their foreign subsidiaries appears to be incorrect. In Germany, the law permits such a tax but it is not enforced. In England, unrepatriated earnings are taxed only if directed management control is conducted in England and this is commonly avoided. Furthermore, England encourages offshore operations free of tax whenever they involve the export of British goods. In France, the cited instance of an administrative requirement for repatriation from Switzerland appears to be an isolated case.

In summation, if the one-time Ford transaction is eliminated and the above mentioned remittances, other than dividends and the net gains from subsidiary related exports are included, U.S. subsidiaries in Western Europe in 4 years contribute at least $1.4 billion net to our balance of payments, a far cry from the 4-year $400 million deficit portrayed in the Treasury testimony.

Our long-term direct investments through subsidiaries overseas, particularly in Western Europe, are not a balance-of-payments culprit. They regularly contribute a substantial surplus to our international account. If they are burdened with new taxes which make them noncompetitive in the areas in which they operate, our balance of payments will be worsened.

In these circumstances, one wonders why this particular sector of our balance of payments is singled out, especially for a kind of tax treatment usually directed at permanent rather than temporary situations. The Treasury says that the total effect might be $390 million per year. This is less than the annual U.S. outflow on purchase of new issues of foreign securities alone which amounts to an average $500 million per year and which is not covered at all by this legislation.

It is far less than all U.S. oversea portfolio investments annually, and is only a fraction of last year's hot-money flow. Of course, this $390 million figure is also small as compared to our military and other nonremunerative aid expenditures. In any case, it seems most unwise to retard and stunt long-term private direct investment, a sector of the balance of payments which regularly assists in financing the parts which cannot pay their own freight.

This is an example of what U.S. mature private investment contributes to the balance of payments.

It is here that the distinction between mature capital used for legitimate purposes and new portfolio capital becomes especially important. In my opinion, gentlemen, the income tax laws should not be used for this purpose. Other controls would appear better suited for the task of reducing new portfolio and capital outflow and dealing with a temporary balance-of-payments problem.

A third announced objective of the Treasury proposals is to increase domestic investment and, thus, to provide more jobs here at home.

The Treasury proposals will not, in the case of I.T. & T., result in the creation of more investments inside the United States. I.T. & T.'s U.S. plant has been built and financed by earnings made abroad, returned to the United States, subjected to U.S. tax here and then invested in job-producing factories. Destroy or retard these revenues and I.T. & T.'s growth inside the United States will be reduced.

Conceivably, divesture of foreign investments of American owners could produce substantial amounts of unemployed capital. In the present situation, there is no shortage of investment capital in the United States today. Generally speaking, the money can be found for any worthwhile domestic investment. In view of the sizable contribution that these investments are already making to our balance of payments, it would appear that they are already being used in their optimum location.

There can be no assurance that U.S. shareholders divested of American-owned foreign subsidiaries would not find themselves owners of foreign portfolio securities. This is not purely theoretical. One of I.T. & T.'s major competitors and one of Europe's largest companies is Philips of Holland, and the percentage of it which is now U.S. owned has risen from a small proportion to 31 percent in the past few years.

The Treasury testimony also contains the concept that the factory built by U.S. interests abroad simply displaces a U.S. factory which otherwise would produce the same goods for export to the foreign market—that such investment affects the export of job opportunities. This idea is wholly incorrect.

No businessman who is aware of the difficulties and risks of direct foreign investment would ever send his capital abroad if he could use it at home to turn out goods which would be competitive for the foreign market or in domestic markets. The factors which influence expansion by direct investment abroad as opposed to further investment at home are innumerable. Labor and transportation costs and tariffs are frequently most important, as well as close responsiveness to customers' requests. The foreign income tax picture is rarely significant. As long as the U.S. enterprise and its foreign competitors are treated alike, the tax factor is neutral.

It is not, therefore, going to increase American job opportunities if we are forced to divest ourselves of investment developed in foreign countries. If the economics of the situation dictate the goods we are selling abroad be made abroad, they will be made abroad. Substituting other nationals as owners of factories we presently own abroad will not add one iota to job opportunities in America or foreign demand for U.S. goods. In fact, such substitution would make the problem of U.S. exporters even more difficult.

A further purpose of the proposed legislation is to stimulate aid to underdeveloped countries.

As far as I.T. & T. itself is concerned, the proposed new tax structure would decrease our investments in underdeveloped nations. Since the end of World War II, we have been expanding our South American and Far Eastern operations largely with the aid of earnings from our European subsidiaries, earnings which were subjected to U.S. tax in the process of transfer. If the principal source of our investment funds, that is, our European earnings, is substantially diminished, we will obviously be unable to make the contributions we have made in the past to the development of the economics of our Latin American neighbors.

Obviously the imposition of greater tax burdens on earnings from European investments than earnings from South America or Africa will make the latter comparatively more attractive so far as taxation alone is concerned. Under this proposed legislation, grossed-up taxes would become higher on investments in underdeveloped countries, not lower. The theory of the proposal that capital which otherwise would have gone to Europe will now find these areas attractive is subject to question because it does not do so even under the present lower rates of taxes. There is ample capital for these markets if insurance against risks were obtainable. Economic opportunity, and more important still, the political climate, are the crucial factors affecting investments in these areas.

We would question, furthermore, why such countries as Spain and Portugal are included on a list of developed countries, or what fair tests can be devised that will be reliable for investors.

There is talk of eliminating tax "preferences." Presumably, the "preference" involved is that the foreign corporation pays less tax on its unrepatriated earnings than it would if it were a domestic U.S. corporation. This comparison is completely irrelevant. The U.S.-owned foreign corporation is not operating in the American economy. It is operating in the foreign country under the same conditions as its foreign competitors. There is no preference. While the investment is abroad, it is equalized with its competition abroad; when it is brought to the United States, it is equalized with its competitors here. If such a cor-

poration is forced to pay higher income taxes on its earnings than its competitor by virtue of U.S. ownership—earnings it legitimately needs for expansion and working capital—the result will be not the removal of a preference, but the imposition of inequity. Nor will this crippling move against U.S. enterprise abroad result in any offsetting advantage to our domestic business. Typically unrepatriated foreign U.S. dollars competitors abroad. If the proposed legislation is adopted, Congress will be appropriating American capital in order to make an unwarranted gift to foreign nationals.

Our foreign subsidiaries are subject to many risks and unstable political situations. In my judgment, it is completely unrealistic to treat foreign earnings which have not yet been repatriated as income in relation to U.S. tax. In the case of a legitimate foreign operation, these earnings are not represented by cash which can be readily converted to U.S. dollars. Typically unrepatriated foreign earnings are tied up in plant and equipment which is physically incapable of being removed from the foreign locale, and inventories produced for sale in the foreign market, and accounts receivable payable in the foreign currency. These assets remain subject to a variety of hazards, hazards which are real and grave, which have inflicted serious losses on I.T. & T. and other operations in every like operation in every decade of this century.

In World War II, many of our foreign establishments, in other words our unrepatriated foreign earnings, suffered seizure as well as physical damage and destruction. After World War II our installations in Czechoslovakia, Hungary, Poland, Rumania, and China were seized without compensation. In both postwar years, our foreign currency assets were subjected to the attrition of repeated currency devaluations. And now we have Cuba. As many of you know, our installations there have been expropriated by the Castro government.

We can certainly hope that these misfortunes will not be repeated, yet, if there is any lesson in history, it is that we can expect more of the same although we may not know what form disaster will take or where it will strike. I repeat, it is a completely unrealistic concept which treats as income earnings abroad while they remain in the form of plant or necessary working capital, subject to the hazards mentioned.

Finally, there is the purpose to eliminate so-called tax-haven abuses. We readily concede that Congress should move to close loopholes by which people are unfairly avoiding U.S. taxes, by siphoning off U.S. income normally subject to tax. We believe, however, that this whole area of tax abuses through the use of foreign corporations is grossly misunderstood.

If the American-owned operating company is to be denied the use of tax-saving companies which are legitimately approved by the countries whose own taxes are involved and these methods are open to our foreign competitors it is again being unfairly discriminated against. Moreover, as long as remittances are generous, these additional earnings otherwise paid as foreign taxes, will be remitted to the United States at high taxable rates.

I have already stated that I.T. & T. uses every means it can consistent with good business practice to effect the payment of maximum dividends from its foreign subsidiaries. This is after all why we are in business—to earn income from our foreign investments. We leave income abroad only where necessary to finance expansion of plant working capital or to repay local borrowings.

I.T. & T.'s subsidiaries have consistently remitted to the United States approximately 50 percent or more of their oversea earnings.

All of these countries have strict administrative procedure to cover the diversion of income from their jurisdictions and taxes and usually these call for performance of real services. The statement has been made to this committee that it is necessary to tax foreign retained earnings as an administrative necessity to cope with this problem. It is significant that control through administration of these situations has evidently not caused undue problems in Europe since none of these countries—in Europe or elsewhere—has found it necessary to tax unrepatriated earnings in order to administer this problem of "tax havens."

We believe ample authority already exists in the U.S. law to carry out the same administrative control by the United States.

However, the definition of "tax havens" included in this legislation, which would class all companies as such if more than 20 percent of their revenues are derived from sources outside of the country in which incorporated, is unrealistic and far too sweeping in that it would include many legitimate operating companies. All of our companies are operating or service-performing companies and we have no brief to protect incorporated pocketbooks or purely paper companies formed to avoid taxes. If legislation is required to reach such specific transparent nonperforming companies, we would support such legislation.

Gentlemen, in the very brief time I have attempted to deal with a very complex subject. I have made every effort to limit myself to constructive criticism and to give you the benefit of my company's international operating experience going back over many years.

I would like to leave with you this one further thought. Wherever I.T. & T. has an operation abroad, the United States has a point of contact with the peoples of the government of that country. The insights we gain, the influence we can exert, the friendships we make are invaluable contributions to the solidarity of the Western alliance. The loyalty of our employees to our companies has been repeatedly demonstrated. Many of them risked and lost their lives in attempting to protect our property from the Nazis during World War II and from the Communists in Eastern Europe after the war.

Whenever I.T. & T. is forced to give up its investments in a NATO country, the United States gives up valuable cold war assets it can ill afford to lose. It seems only plain commonsense that we are better off with these properties in U.S. hands than in the hands of foreign ownership.

Gentlemen, I ask your permission to file with these remarks a longer document, going into some further detail. To the best of my ability, I shall be pleased to answer any questions you may have.

TAX RATE EXTENSION ACT

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

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

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, since the House recently passed the Tax Rate Extension Act of 1961 and, I understand, the bill is now being debated in the other body, I think it is pertinent to mention that our neighbor to the north, Canada, just this week repealed its 7½-percent automobile excise tax.

As my colleagues may remember, when the excise tax extension was being debated on June 8, I discussed at some length the inadvisability and inequity of continuing the 10-percent excise tax on automobiles. This tax, which restricts the sale of automobiles, is a drag on our economy. With the unemployment in the country today and particularly during recent months when so many automobile workers have been out of work, I feel we should consider doing something about the cause of our problems rather than dealing only with the effects.

Canada's repeal of its automobile excise tax was preceded by a study of the question, and a report on it, by a Royal Commission headed by Professor Bladen. The Canadians recognized, correctly, that the automobile manufacturers excise tax can serve only to slow down, and retard, automobile production. Such a Government-imposed slowdown is intolerable when the need is to increase our economic growth.

Rather than employ artificial stimulants to increase production, the Canadian Government has decided to remove this tax barrier. I commend this action by the Canadian Government and its Finance Minister, Donald Fleming. It should be noted that the excise tax was repealed despite the fact there have been demands that some other taxes be increased.

While I recognize it is too late this year for us to repeal our automobile excise tax, I would hope that the forward-looking example set by Canada will be observed by our taxing authorities and that it will not be long before we have similar action taken in this country.

REA SECRECY

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

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

There was no objection.

Mr. MICHEL. Mr. Speaker, on June 3, prior to the debate on the agriculture appropriation bill, I wrote to Norman Clapp, Administrator of the REA, requesting an up-to-date list of the applications for power-type borrowers and for generation and transmission facilities for distribution-type borrowers indicating that I wanted the applications on hand and the applications reported to REA to be under preparation in the field.

Mr. Richard Dell, acting for the Administrator, wrote to me on June 5:

> We do not feel it would be possible at this time to compile for you a current list which would have appreciable significance in indicating the probable course of our program for individual borrowers.

I submit that this statement provided a convenient block to objective examination—which might reveal, for example, that the public would be better served by some other avenue than a loan to a generation-and-transmission co-op. If nothing else, Mr. Dell's letter demonstrates a flagrant disregard for the right of the citizenry to know the uses to which its funds are put.

But what is even more ridiculous, is the following editorial which I read in the June 1961 issue of Rural Electrification on page 32 entitled "It Takes All Kinds":

IT TAKES ALL KINDS

One Walter Bouldin, president of Alabama Power Co., protested to the Agriculture Subcommittee of the Senate Appropriations Commitee last month that REA would not give him information on a pending loan application of Alabama Electric Cooperative for funds to expand their generating plant.

Mr. Bouldin's cry was somewhat less than pity producing since it is longstanding REA policy not to give information on loan applications until they have been sent to Appropriations Committees in the House and Senate.

After the Alabama loan application was sent to the committees, Mr. Bouldin—or anyone else—could have received information about it. As a matter of fact, one newspaper correspondent for the Birmingham News did ask for, and was given the information that the loan application was for $12 million to add a 50,000 kilowatt steam unit to the co-op's plant.

That Mr. Bouldin either didn't know about or disagreed with REA policy concerning loan applications is not the most ridiculous part of his statement. He seemed to be crying because his somehow inalienable right to make a profit from a captive customer was challenged. "Apparently we are not even to be told when an application has been filed to take business from us," he wailed.

To make such a fuss about "losing" a customer who is already taking care of himself more economically doesn't seem entirely in keeping with the utilities' perpetual harangue about "competitive free enterprise."

You will note, Mr. Speaker, that part of the information I requested in my letter to the REA Administrator was released to the Birmingham News, obviously for publicity purposes, but for some reason the REA was unable to provide this information to a Member of Congress. This points up the very issue I emphasized in my remarks on the bill that millions in public funds are loaned each year by the REA under a cloak of secrecy so complete that the public has no knowledge of amount of detail until the loan is an accomplished fact.

Certainly, existing power suppliers should have the right to present testimony as to how they could meet a co-op's needs before a loan is approved and that is why I called the Alabama situation to the attention of my colleagues on the subcommittee and inserted Mr. Bouldin's letter into the RECORD.

The REA Administrator now says he'll make a G. & T. loan if only he is satisfied that the cooperative principle is threatened. Secrecy is made to order for this new criterion.

Determining economic and engineering feasibility of generation and transmission is complex. To rule on these matters, much less to decide whether the cooperative principle is threatened, without considering opinions and bona fide offers by all concerned is dangerously arbitrary.

I shall most certainly place Mr. Dell's letter in my pending file along with the Rural Electrification editorial when I will have an opportunity to review this situation during the hearings in the next session, personally, with Mr. Clapp and Mr. Dell.

ROLL CALL

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HIESTAND] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HIESTAND. Mr. Speaker, the masthead of Roll Call each week contains this line:

Roll Call is the only newspaper written for, by, and about the U.S. Congress.

In that, this lively weekly fulfills a unique and valuable role. Its wide-ranging stories are packed with information and feature highlights of Capitol Hill.

This week, Roll Call celebrates its sixth anniversary. The paper, under the editorship of Sid Yudsan, figures to have a lucky seventh year.

Each issue of Roll Call is looked to with anticipation. Already we are looking with anticipation to its seventh anniversary issue.

FIRST IMPRESSIONS ARE SOMETIMES WRONG

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, today some reporters, instead of putting facts on the wire, which was their original principal duty, under the guise of statements of fact give their personal conclusions or opinions which the inexperienced reader accepts as facts.

A typical current example is an AP story carried yesterday, which states that it took a lot of pleading and a little "crying" in the House for me to "get approval for a weekend fishing trip." Figuratively, that statement is true but less than a half-truth. Work was pressing. Fishing was out. Consent for consideration of a bill was the objective.

As the House was about to adjourn Wednesday, the Democratic leadership asked unanimous consent that the Rules Committee might have until midnight to file a report on the housing bill—a report which was necessary to enable the leadership to bring up, as it desired, the housing bill for action on Thursday and Friday. Dispose of it this week without a session on Saturday.

For reasons which seemed sound to him, our colleague from Iowa, Mr. GROSS, who long ago proved to be the champion Treasury watchdog for the taxpayer, who opposes wasteful spending, prefers sound constitutional policies, objected.

Under House practice, which he faithfully endeavors to observe, Democratic Leader JOHN MCCORMACK was honor bound, when objection was made, not to renew his request unless objection was withdrawn.

The result was that the housing bill could not be brought up the next day, and going over for final vote might require not only Thursday, Friday, and Saturday sessions, but postponement of final action until next Monday.

As every Member knows, but as few constituents realize, days when the House is not in session, as is usual on Saturday, and sometimes on Sunday, Members have their individual noses to the national grindstone, endeavoring to take care of committee and office work.

Leadership on both sides and not a few Members endeavored to persuade Mr. GROSS to withdraw his objection. Being a man who never acts without due consideration and to him sound reason, they were not successful.

Having been actively associated with Mr. GROSS for some time, he being aggresive, his convictions being much the same as those held by me, it has been my privilege on occasion to back his efforts on the floor, especially when appropriations were being considered. Mr. GROSS obviously reads more reports put out by Appropriations Committees than any other Member.

Because of his knowledge of appropriation bills he has frequently, by raising points of order, offering amendments, saved the taxpayers of this country millions of dollars. Unfortunately, sometimes when the Parliamentarian has sustained his point of order or the House has accepted his amendment, when a bill came back from conference, it was found the Senate had restored the needless item.

Sometimes when, in my judgment, leaders sought unduly to pressure Mr. GROSS, I have voluntarily gone to his aid by either telling him that, if he withdrew his objection, I would make it, or have myself made the objection.

Late Wednesday, Members of the House who had pressing workloads appealed to me to personally intercede with my friend, the gentleman from Iowa [Mr. GROSS]. Knowing he was a man of sincere convictions and of the utmost tenacity, I knew that only by a personal appeal added to some very sound reasons could he be induced to yield.

So it was that, speaking from the floor, the House was told I wanted to conserve my health, catch up on the office work; advanced certain reasons when he asked me if I wanted to go fishing on Saturday, I replied I did and also wanted to attend church Sunday.

After some light talk in which other Members joined, Mr. GROSS, being convinced that we could save time as well as a few tax dollars if the bill was brought up the next day, very graciously and generously said that he had no objection to Mr. MCCORMACK, the majority leader, renewing his request.

The request was made, consent was granted, and so it was that yesterday the housing bill came on and after consideration yesterday and today the bill was disposed of, thus avoiding postponing final consideration until Monday.

As for the fishing trip publicized by the AP, unfortunately, because of work on a minority report on Reorganization Plan No. 5, and other work, the trip will be postponed until my return to Michigan where occasionally we catch gamey, edible fish, from clear, spring-fed streams or lakes, in beautiful country and invigorating climate, which I hope Members will find opportunity to enjoy.

THE FIFTH WHEEL

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. STAGGERS], is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, back in 1900, the politicians nominated Theodore Roosevelt for the Vice Presidency with the purpose of burying him, politically. They hoped to reduce him to a condition of innocuous desuetude, in Grover Cleveland's phrase. It is safe to say that no mortician's instinct impelled Jack Kennedy last July to urge LYNDON JOHNSON to share the national ticket with him. No one, least of all Kennedy, could conjure up an image of LBJ in any RIP pose. And no one in the United States, least of all Kennedy, would wish to view him in such a pose.

In the automobile age, the fifth wheel has somewhat illogically become a symbol of innocuous desuetude. The manufacturers usually supply a fifth wheel with a new car, and they tend to hide it away in the trunk where nobody ever sees it except the mechanic called to fix a flat. It is always in the way when the owner tries to stuff his trunk with excess baggage. More correctly, a fifth wheel is, as the dictionary sees it, "a horizontal segment made up of two parts rotating on each other above the fore axle of a carriage, forming a support to prevent careening." In other words, the fifth wheel makes the whole darned vehicle both manageable and stable.

The dictionary accurately defines the function of the Vice President in the Kennedy administration. He contributed importantly to the success of the ticket last November, and he is as indispensable in carrying the responsibilities of the Chief Executive in office. His unmatched tact and skill in dealing with all kinds of people and his intuitive grasp of the real truth in any given situation, characteristics which won him outstanding success and admiration in the Senate, are being exercised with redoubled precision in his new post. LYNDON JOHNSON makes no mistakes. Whatever he sees, he sees with clear vision, with no distortion to make facts fit a preconceived theory. He possesses a sort of charism which enables him to communicate his views clearly and unmistakably without stirring up contention and antagonism. Whatever he reports can be relied on for accuracy and completeness. There is no doubt that he wields a power and influence enjoyed by no previous Vice President.

A fifth wheel is more or less invisible unless one stoops to look under the works. In proper condition, it is also inaudible. Here are two more attributes which characterize the Vice President. No high official in government in recent years has managed to achieve so high a degree of anonymity. He goes and comes with no passion for publicity. His work is done unaided by the pressure of public opinion. His proposals prevail because he appeals to what is right and reasonable. This has been his method of attack through a long political career, and it does not fail him in his new post.

In May the Vice President made a long 2-week, 27,000-mile survey tour through southeast Asia. His report on that tour is emerging piece by piece. None of it is spectacular. Southeast Asia is probably the most difficult and mystifying spot on the globe. Our information regarding its physical resources, its economic condition, its political direction and stability, the cultural interests of its people, have always been vague, unreliable, and sporadic. Hence our action in that area has generally seemed to be ill-advised, poorly timed, and ineffective. For the first time we may have reports that go to the grassroots of problems. The Vice President gathered his information from direct contact with the peoples themselves. He braved the heat and the rain, the primitive methods of travel, the unfamiliar food, and social practices in order to meet people at their normal work and in their normal manner of living. There is no pretense that he has penetrated the inner minds and the driving motives of the natives. It is evident that they speak a different language and no mode of communication is adequate to insure complete understanding.

With characteristic insight and caution, Mr. JOHNSON proposes no "miraculous solutions" to the problems of southeast Asia. He finds peoples with no Communist instincts. At the same time they are neither ready nor disposed to leap into a highly mechanized and intricate Western civilization. They are "worried as to how to counter the vicious tactics of murder and intimidation now being employed against innocent people." It is important that the Congress and the American people "support the efforts of free Asians to banish poverty, illness, and illiteracy. There must be reforms that will give them a better opportunity to educate their children, to improve their health, to have better housing." Yet in spite of assurances of military aid, if desired, "nowhere was there a request for American troops." Evidently the presence of any troops, American or Communist, simply means to them more trouble, more civic and economic dislocation, more danger to their local institutions.

One periodical sums up the recommendations of the Vice President in this way:

> Make sure Asians know the United States is not merely seeking satellites.
>
> Strengthen frontline nations, such as Vietnam. They have the manpower. What they really need from us is management and material.
>
> Work to raise living standards.
>
> Redouble efforts to see that U.S. aid gets to the people who need it.
>
> Go directly to the people themselves and remove the image of America as a well-dressed official who whizzes through the streets in a chrome-plated Cadillac to an air-conditioned palace to drink tea and make a deal.

These ideas help to explain the apparent apathy of the SEATO countries toward direct military intervention in southeast Asia, especially in dealing with Laos. The present promise of an acceptable solution of the Laos problem may be a direct result of Mr. Johnson's approach. His voice of reason has long been effective in domestic affairs. Why not equally so in our difficult and often frustrating relations with the various peoples who are struggling toward freedom and economic well-being?

A FEDERAL EDUCATION AGENCY FOR THE FUTURE

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. FOGARTY. Mr. Speaker, recent statements in the RECORD have referred to a study recently completed by a committee of career employees of the Office of Education entitled "A Federal Education Agency for the Future." During the recent hearings of the Subcommittee on Appropriations which I have the honor to chair we received testimony on this study. Therefore, I wish to set the RECORD straight on what the study was intended to accomplish, what the report actually recommends, and the status of the recommendations.

First of all, this study is completely nonpartisan and nonpolitical. It was initiated by the previous administration under President Eisenhower and the members of the committee were designated by the previous Commissioner of Education. The study was modeled after a similar one conducted last year by a career group in the Public Health Service. With commendable vision the previous Commissioner requested the committee to look ahead to the problems facing the Federal Government in education for the decade of the 1960's. Committee members were requested to develop a clear-cut and balanced statement of the mission of the Office of Education as it could be seen for the next decade and to assess the responsibilities facing the Office of Education without regard to existing organization structure or personal interest of the present staff. The present administration has carried the study to completion and now has the recommendation under consideration. Objectivity of reporting has been maintained by the committee.

In conducting its study the committee reviewed background information including, generally, material about the history and extent of the involvement of the Federal Government in education and, particularly, about the development and changing roles of the Office of Education through the 93 years of its existence. Also, the committee, in attempting to anticipate the job that the Office would be faced with during the next decade, examined the record of legislative considerations and enactments of the Congress in recent years and the statements of individuals and groups highly respected in public affairs. Among the statements that guided the committee in its assessment of the proper role and functions of the Office of Education over the next decade were the educational platforms of both the Democratic and Republican Parties from

the 1960 campaign, and additional statements by both of the candidates for President. The committee also drew guidance from such documents as the report entitled "The University and World Affairs," developed by persons of outstanding repute in industry, public affairs, and education appointed in July of 1959 at the request of former Secretary of State Herter, and the report of the President's Commission on National Goals, submitted by a similarly outstanding committee appointed by former President Eisenhower. A fact that emerges clearly from these studies is the recognition of a significantly larger role for Federal assistance to education as essential to our national welfare; a strengthening of the U.S. Office of Education is likewise acknowledged as necessary to educational progress. For example, the report of the President's Commission on National Goals presented in November 1960 contains in its chapter on Goals in Education the following statement:

The Federal Government: The Federal Government has been a factor in education for almost all of our national history. But its role is changing—and where the change is taking us no one can say. No one knows how best to design the role of the Federal Government in education. But one thing is certain: with education playing a vastly more crucial role in our national life, there is no likelihood that the Federal Government can escape greater involvement in it. Nor need we be alarmed at such involvement. Our tradition of local control in education is a healthy one, but we must not let it thwart us in accomplishing important national purposes.

The urgent requirements—and opportunities—of modern life make it necessary that we handle some problems at the State and national levels, whether the field be transportation, communication, commerce, law enforcement, or education. We are facing tasks of the gravest import for our future as a Nation. Some of these tasks require long-term planning at the highest level. In such matters, we must act as a Nation.

* * * * *

(18) The most important task for the Federal Government is to suplement State funds in those States whose per capita income is too low to maintain adequate education. (Legislation to this end was proposed by the late Senator Taft some years ago.)

(19) The Federal Government should provide funds to the other States on a matching basis—to be used for construction or for other educational purposes as the State may choose.

Education has become a centrally important activity in our national life. It must be represented at a high level in Government. The present organizational structure is inadequate and should be altered.

(20) We must have either a separate Department of Education at Cabinet level or a National Educational Foundation (patterned after the National Science Foundation).

Next the report of the Committee on the University and World Affairs in December 1960, made the following recommendation:

In the Federal Government, the upgrading of educational competence at all levels is indispensable and overdue. In order to manage properly the enlarged role of the Government in this field, the attention of the Government agencies concerned needs to be focused on more effective use of university resources in program planning and implementation, and on the provision of Government support to help build university competence in world affairs. The following additional steps are urged for consideration in plans for Government organization and legislation:

In the Department of State, enhancement of the authority and functions of the Special Assistant to the Secretary for the Coordination of International Educational and Cultural Relations.

Upgrading the authority and competence of the Office of Education in the field of support to American higher education for world affairs activities.

During its deliberations, the committee kept in mind the growth in the responsibilities of the Office of Education over the past decade, during which time no major reorganization had taken place. The committee was particularly aware of the stresses these additional duties had placed on the more traditional activities of the Office and the consequent need for reviewing the internal structure.

At the conclusion of the first phase of this study, the committee developed a statement of the mission that it saw for the Office of Education during the 1960's. This statement was designed to guide the committee in its subsequent construction of an organizational framework. It represented, quite naturally, an internal assessment of the role of the Office; nevertheless, it had as its immediate background statements such as those referred to above.

In this statement the committee projected the activities of the Office of Education in half a dozen areas.

First, it stated that the earliest responsibilities of the Office, those for the development of educational statistics, for research, and for the dissemination of educational information, would have to be performed far more effectively in the next decade. This was a frank acknowledgment of the inadequate job now being performed by the Office in this area and of the increasing need by the public and their representatives—school boards and legislative bodies—to have available to them timely and accurate information on which to base their educational decisions.

Second, the committee recognized that the services of the Office to education as it is organized must be continued but in a more efficient and well-considered manner than before.

Third, the committee acknowledged the substantial responsibilities the Office has had placed on it for the administration of assistance programs in the last decade. It was particularly cognizant of the need to administer both these programs and those that might be enacted in the future in the most efficient manner.

Fourth, the committee proposed a new role for the Office of Education in speaking within the Federal Government for the long-term interest of the people in a sound educational system.

Fifth, the committee stated its belief that the Office should orient its activities more toward the general public than has previously been the case. To take a phrase from the report, the Office should be one "of education, not an office of educators." Finally, the committee stated its conviction that the Office should play an important role in international activities that affect education. It anticipated that education would become a more significant part of foreign policy and that consequently demands would be placed upon the Office of Education as the prime educational resource of the Federal Government.

Subsequent to this consideration of the job to be accomplished, in the view of the committee, the group turned its attention to an organizational arrangement that would permit the Office to carry out its duties in the best possible manner. It recommended a bureau structure in which the traditional functions of research, consultation, and the collection and dissemination of information would be organizationally separate from the responsibilities for administering assistance programs. It further recommended that there be established a major organizational component to give its full attention to international education activities. The report of the committee, containing both its assessment of the role of the Office in the next decade and its recommendations for an organizational arrangement was made to the Commissioner of Education in April of 1961.

In recognizing the need for a new type of structure in the Office to accommodate new responsibilities the report recommends the establishment of four bureaus and had this to say about them:

Two of the bureaus contemplated in this report are designed, as we have said, primarily to execute established policies of the Federal Government—to administer laws. The arguments for separating grant administration from other professional activities such as research are several. The committee has found some of these persuasive. There is the advantage of separating Federal funds from consultant services on educational problems to avoid any suggestion that the agency seeks to use its grant funds to effect modification of educational practices unintended by Congress. More important to the committee, however, are the arguments that (a) different kinds of personnel are required to perform the very different functions of research and administration, and (b) the mingling of grant administration and professional research in a single unit inevitably leads to the undermining of the latter.

Clearly, not all program administration can be separated from research or advisory services; in some cases the separation of the two would be damaging to both. But the committee is of the opinion that there are several major programs, and the prospect of others, in which the Congress has given sufficiently explicit instructions, and in which the amounts and administrative tasks are so significant, that they can wisely and efficiently be grouped together under a program administration bureau.

It is possible, under present circumstances, to think of one bureau for all such grant programs. But the rate of growth of these programs in recent years is sufficient warning not to plan for the accommodation of present responsibilities only. The prospect of probable future growth leads the committee to conclude that the aggregate of major grant programs is already beyond the span of effective control of a single bureau. Added support for the concept of two grant bureaus flows from the significant differences in patterns of Federal relationships

with States on the one hand, and colleges and universities on the other.

Clearly, the intention of the report is to divorce the administration of grant programs enacted by the Congress from the performance of educational research so as to avoid the possibility of using Federal funds as a means for influencing education programs. Alarmist statements about Federal control of education are not justified in any way by this report.

Another recommendation of significance made in the subject report relates to policy formulation. The role of the Office of Education in policy formulation within the Federal Government is an advisory one. As the report points out:

> Every agency of the executive branch of Government serves, to a greater or lesser degree, in a staff capacity to the President of the United States. The President alone is responsible for the formulation of executive branch policy, but he can be and is aided enormously by the staff of his executive agencies.

It should be noted that this role in assisting policy formulation will be reinforced through the establishment of a National Board of Advisers, appointed by the President and reporting to the Commissioner of Education. This Board, composed primarily of outstanding representatives of the lay public, would be of major assistance to the Commissioner in his role as an adviser on Federal policy matters.

Following the practice of a similar Committee on the Mission and Organization of the Public Health Service that reported to the Surgeon General in June of 1960, this report was printed and distributed within the Office of Education in order that the widest possible consideration could be given to the recommendations. While the report at no time since its printing has been considered confidential, it was not designed for nor given initial public distribution. On the other hand, it has been furnished to those persons who have requested it.

The consideration of the internal reorganization of the Office of Education is continuing within the Office, with the advice of interested persons in the Department of Health, Education, and Welfare and the Bureau of the Budget. It is anticipated that some changes toward a more satisfactory organizational structure may be initiated during the summer of 1961.

Finally, may I recommend that those who are interested in this subject read the report entitled "A Federal Education Agency for the Future," in its entirety rather than relying on portions of the report taken out of context. These reports are available currently from the Office of Education.

WASHINGTON SALUTES SEQUOYAH

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that the gentleman from Oklahoma [Mr. EDMONDSON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, today the Capitol provided the setting for a series of ceremonies and events honoring a great American, the Cherokee scholar and leader known as Sequoyah.

Members of the congressional delegations of three great States joined two modern-day Cherokee leaders and a group of distinguished Americans in commemorating the 200th anniversary of Sequoyah's birth.

The ceremonies began at the handsome bronze statue of Sequoyah in Statuary Hall, where beautiful wreaths were placed by Chief W. W. Keeler, of the Cherokee Nation of Oklahoma, and by Vice Chief Newman Arneach, of the Eastern Band of Cherokee Indians of North Carolina.

Senators SAM J. ERVIN, JR., and B. EVERETT JORDAN, of North Carolina, and Congressmen TOM STEED, VICTOR WICKERSHAM, and PAGE BELCHER, of Oklahoma, were among the distinguished guests present at the wreath-laying ceremonies.

In a reception given by Oklahoma's senior Senator, the Honorable ROBERT S. KERR, the chiefs were greeted and salutes to Sequoyah were delivered by a series of speakers, including Oklahoma's Senator A. S. MIKE MONRONEY; the Honorable JAMES DAVIS, of Georgia; the Honorable ROY TAYLOR, of North Carolina; and others.

Both Chief Keeler and Vice Chief Arneach gave eloquent tributes to the great Cherokee, who is the only man in history known to have invented a complete alphabet to be adopted by a great people.

Another feature of the reception program was a moving speech by Mrs. Sidney Henry Ruskin, of Decatur, Ga., who is chairman of the nationwide observances of Sequoyah's 200th anniversary, and who with Mr. Ruskin provided a Sequoia Gigantia seedling to be planted on the Capitol Grounds.

The Honorable Clarence Wesley, president of the National Congress of American Indians, also joined in saluting the contributions of Sequoyah and the Cherokees to our Nation's culture and traditions.

At approximately 4:30 this afternoon, the two chiefs and more than a score of distinguished Americans joined in traditional ceremonies in the west court of the Capitol Conservatory for the actual tree planting.

In a beautiful ritual prepared by Mrs. Ruskin, featured by a series of seven tributes and salutes, the Sequoia tree was impressively dedicated.

May it stand on these honored grounds for more than a thousand years, as a living memorial to a truly great American, Sequoyah.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FORRESTER (at the request of Mr. ANDREWS), for today, and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOFFMAN of Michigan, for 10 minutes, today.

Mr. ALGER (at the request of Mr. CONTE), on June 27, for 60 minutes.

Mr. ALGER (at the request of Mr. CONTE), on June 28, for 60 minutes.

Mr. FRELINGHUYSEN (at the request of Mr. CONTE), on June 29, for 2 hours.

Mr. WEAVER (at the request of Mr. CONTE), on June 29, for 60 minutes.

Mr. STAGGERS (at the request of Mr. O'BRIEN of New York), to revise and extend his remarks, and to include extraneous matter, today, for 5 minutes.

Mr. HEMPHILL (at the request of Mr. O'BRIEN of New York), on Wednesday, June 28, for 1 hour.

Mr. ASPINALL (at the request of Mr. O'BRIEN of New York), on Tuesday, June 27, for 30 minutes.

Mr. LINDSAY, on Thursday, June 29, for 1 hour.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. SCHWENGEL (at the request of Mr. CONTE) and to include extraneous matter, notwithstanding it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $513.

(The following Members (at the request of Mr. CONTE) and to include extraneous matter:)

Mr. HORAN.

Mr. WALLHAUSER.

Mr. FRELINGHUYSEN.

Mr. O'KONSKI.

(The following Members (at the request of Mr. O'BRIEN of New York) and to include extraneous matter:)

Mr. OLSEN.

Mr. KOWALSKI.

Mr. CAREY.

Mr. DULSKI.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 19. An act for the relief of Mrs. Takimi Yamada; to the Committee on the Judiciary.

S. 146. An act to extend and increase the special milk program for children; to the Committee on Agriculture.

S. 231. An act for the relief of Helga G. F. Koehler; to the Committee on the Judiciary.

S. 332. An act for the relief of Franciszek Roszkowski; to the Committee on the Judiciary.

S. 491. An act for the relief of Emmanuel Epaminondas Skamangas; to the Committee on the Judiciary.

S. 1007. An act for the relief of Sara Mishan; to the Committee on the Judiciary.

S. 1100. An act for the relief of Sang Man Han; to the Committee on the Judiciary.

S. 1405. An act for the relief of Aram Fayda and his wife, Elena Fayda; to the Committee on the Judiciary.

S. 1432. An act for the relief of Shau Ying Lin, and her children, Gee Chek Lin, Gee Ming Lin, and Chi Fong Lin; to the Committee on the Judiciary.

S. 1549. An act for the relief of Leonarda Cocuzza; to the Committee on the Judiciary.

S. 1576. An act for the relief of Wen Nong Wong; to the Committee on the Judiciary.

S. 1645. An act for the relief of Clarinda da Veiga; to the Committee on the Judiciary.

S. 1673. An act for the relief of Blagoje Popadich; to the Committee on the Judiciary.

S. 1785. An act for the relief of Eduardo Giron Rodriguez; to the Committee on the Judiciary.

S. 2051. An act 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 the enactment of Public Law 85-460, additional time to complete their education; to the Committee on Veterans' Affairs.

S. 2113. An act to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1441. An act for the relief of certain aliens;

H.R. 1642. An act for the relief of Mrs. Lilyan Robinson;

H.R. 1677. An act for the relief of Elie Hara;

H.R. 1710. An act for the relief of Narinder Singh Somal;

H.R. 1717. An act for the relief of Angelo Li Destri;

H.R. 1718. An act for the relief of Jamie E. Concepcion;

H.R. 1860. An act for the relief of Jovenal Gornes Verano;

H.R. 1888. An act for the relief of Tomislav Lazarevich;

H.R. 2152. An act for the relief of Mrs. Francisca Hartman;

H.R. 2351. An act for the relief of Hans Hangartner;

H.R. 2671. An act for the relief of Giovanna Bonavita;

H.R. 2991. An act for the relief of Joseph Maz;

H.R. 3146. An act for the relief of Jozef Gromada;

H.R. 4023. An act for the relief of Mieczyslaw Bajor;

H.R. 4201. An act for the relief of Evangelia Kurtales;

H.R. 4482. An act for the relief of Urszula Sikora, Radoslav Vulin, and Desanka Vulin; and

H.R. 5416. An act to include within the boundaries of Joshua Tree National Monument, in the State of California, certain federally owned lands used in connection with said monument, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 277. An act for the relief of Erica Barth;

S. 610. An act to strengthen the domestic and foreign commerce of the United States by providing for the establishment of a U.S. Travel Service within the Department of Commerce;

S. 1342. An act to provide that participation by members of the National Guard in the reenactment of the Battle of First Manassas shall be held and considered to be full-time training duty under section 503 of title 32, United States Code, and for other purposes; and

S. 1343. An act for the relief of Dr. Tung Hui Lin.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 21, 1961, present to the President, for his approval, bills of the House of the following titles:

H.R. 1425. An act for the relief of Marian Walczyk and Marya Marek;

H.R. 2346. An act for the relief of Maria Cascarino and Carmelo Giuseppe Ferraro;

H.R. 2972. An act for the relief of Mrs. Cornelia Fales; and

H.R. 7218. An act to provide that the authorized strength of the Metropolitan Police Force of the District of Columbia shall be not less than 3,000 officers and members.

ADJOURNMENT

Mr. O'BRIEN of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 14 minutes p.m.), under its previous order, the House adjourned until Monday, June 26, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1060. A letter from the Chairman, U.S. Advisory Commission on Educational Exchange, transmitting the 26th semiannual report on the educational exchange activities conducted under the U.S. Information and Educational Exchange Act of 1948 for the period January to June 1961, pursuant to Public Law 402, 80th Congress (H. Doc. No. 199); to the Committee on Foreign Affairs and ordered to be printed.

1061. A letter from the Secretary of Agriculture, transmitting a report on the 1961 feed grain program, pursuant to Public Law 5, 87th Congress; to the Committee on Agriculture.

1062. A letter from the Acting Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. H.R. 7052. A bill to amend section 927 of the act of March 3, 1901, relating to responsibility for criminal conduct, and for other purposes; without amendment (Rept. No. 563). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee of conference. H.R. 6713. A bill to amend certain laws relating to Federal-aid highways, to make certain adjustments in the Federal-aid highway program, and for other purposes (Rept. No. 564). Ordered to be printed.

Mr. MOORE: Committee on the Judiciary. H.R. 187. A bill to provide for the judicial review of orders of deportation; without amendment (Rept. No. 565). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 566. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 1931. An act to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance; without amendment (Rept. No. 567). Referred to the Committee of the Whole House on the State of the Union.

Mr. LESINSKI: Committee on Post Office and Civil Service. H.R. 7043. A bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes; with amendment (Rept. No. 568). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BATTIN:

H.R. 7825. A bill to amend the act of April 6, 1937, as amended, to provide for the effective control of grasshoppers and other insect pests on land idled under the conservation reserve program; to the Committee on Agriculture.

By Mr. BERRY:

H.R. 7826. A bill to authorize and direct the Secretary of the Interior to conduct studies of the genetics of sport fishes and to carry out selective breeding of such fishes to develop strains with inherent attributes valuable in programs of research, fish hatchery production, and management of recreational fishery resources; to the Committee on Merchant Marine and Fisheries.

By Mr. BREEDING:

H.R. 7827. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. DULSKI:

H.R. 7828. A bill to amend the Tariff Act of 1930 to impose a duty upon the importation of bread; to the Committee on Ways and Means.

By Mr. KEOGH:

H.R. 7829. A bill to amend titles I and II of the act of September 14, 1959, entitled "State Income Taxes—Interstate Commerce"; to the Committee on the Judiciary.

H.R. 7830. A bill to make permanent the existing suspensions of the tax on the first domestic processing of coconut oil, palm oil, palm kernel oil, and fatty acids, salts, combinations or mixtures thereof; to the Committee on Ways and Means.

By Mr. LANKFORD:

H.R. 7831. A bill to provide that employees whose basic compensation is fixed and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose, shall be paid on a weekly basis; to the Committee on Post Office and Civil Service.

By Mr. MacGREGOR:

H.R. 7832. A bill to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvest of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture.

H.R. 7833. A bill to amend title II of the Career Compensation Act of 1949 so as to provide that certain members of the uniformed services shall not be entitled to receive any pay or allowances from the United

States after engaging in any activity or conduct, while a prisoner of war, which results in the giving of aid or comfort to an enemy of the United States; to the Committee on Armed Services.

By Mr. MONTOYA:

H.R. 7834. A bill to amend title II of the National Housing Act to establish a new program of mortgage insurance for smaller rental housing projects; to the Committee on Banking and Currency.

H.R. 7835. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the communications and transportation taxes for amounts paid by nonprofit boys' homes; to the Committee on Ways and Means.

By Mr. OLSEN:

H.R. 7836. A bill to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963; to the Committee on Veterans' Affairs.

By Mr. SILER:

H.R. 7837. A bill to provide for an appropriation of a sum not exceeding $175,000 with which to make a survey of proposed national parkway extensions or connections to Blue Ridge Parkway, Great Smoky Mountains National Park, Foothills Parkway, Mammoth Cave National Park, and Natchez Trace Parkway, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STEED:

H.R. 7838. A bill to assist the States to provide additional facilities for research at the State agricultural experiment stations; to the Committee on Agriculture.

By Mr. WALLHAUSER:

H.R. 7839. A bill to amend the Agricultural Trade Development and Assistance Act, and certain other provisions of law, to require consultation with the Secretary of Commerce before commodities are designated surplus agricultural commodities; to the Committee on Agriculture.

H.R. 7840. A bill to amend title 38, United States Code, to provide that the Administrator of Veterans' Affairs shall provide convalescent and nursing home care in facilities provided at Veterans' Administration hospitals; to the Committee on Veterans' Affairs.

By Mr. ZELENKO:

H.R. 7841. A bill to provide for planning the participation of the United States in the New York World's Fair, to be held at New York City in 1964 and 1965, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DANIELS:

H.R. 7842. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended; to the Committee on Education and Labor.

By Mr. GILBERT:

H.R. 7843. A bill to provide for planning the participation of the United States in the New York World's Fair, to be held at New York City in 1964 and 1965, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ST. GERMAIN:

H.R. 7844. A bill to provide for the establishment of the Roger Williams National Monument; to the Committee on Interior and Insular Affairs.

By Mr. LESINSKI:

H.J. Res. 460. Joint resolution to provide for the issuance of a special postage stamp in honor of Taras Shevchenko; to the Committee on Post Office and Civil Service.

By Mr. PASSMAN:

H.J. Res. 461. Joint resolution expressing a declaration of war against the 98 Communist Parties constituting the international Communist conspiracy; to the Committee on Foreign Affairs.

By Mr. THOMPSON of New Jersey:

H.J. Res. 462. Joint resolution authorizing the President of the United States to proclaim the period from October 22, 1961, through October 28, 1961, as National Gifted Child Week; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H. Con. Res. 341. Concurrent resolution expressing the sense of the Congress with respect to the proposed trade by Cuba of prisoners for tractors; to the Committee on Foreign Affairs.

By Mr. BURLESON:

H. Res. 357. Resolution providing additional funds for the Committee on House Administration; to the Committee on House Administration.

By Mr. DULSKI:

H. Res. 358. Resolution establishing a Special Committee on the Captive Nations; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALGER:

H.R. 7845. A bill for the relief of John Andrew Nichols and Anna Sophia Nichols; to the Committee on the Judiciary.

By Mr. DOOLEY:

H.R. 7846. A bill for the relief of Niall Michael Cullen; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 7847. A bill for the relief of Walter A. Denning; to the Committee on the Judiciary.

By Mr. KLUCZYNSKI:

H.R. 7848. A bill for the relief of Ivanka Stalcer Vlahovic; to the Committee on the Judiciary.

By Mr. NORBLAD (by request):

H.R. 7849. A bill for the relief of the United States National Bank of Portland, Oreg.; to the Committee on the Judiciary.

By Mr. PATMAN:

H.R. 7850. A bill to provide for the conveyance of certain lands by the United States to W. M. Fricks and J. F. Fricks; to the Committee on Public Works.

PETITIONS, ETC.

Under clause 1 of rule XXII,

185. Mrs. GRIFFITHS presented a petition of 300 citizens of the State of Michigan urging the Congress of the United States to stand fast against appeasement of Red China, which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Soviet Enslavement of Lithuanians

EXTENSION OF REMARKS

OF

HON. FRANK KOWALSKI

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1961

Mr. KOWALSKI. Mr. Speaker, soon after the outbreak of World War II, when Lithuania's friends in the West were fighting nazism and fascism, Stalin and his hordes began enslaving free peoples in countries bordering the Soviet Union.

Lithuania, along with Latvia and Estonia, was overrun by the Red army. Lithuanians were robbed of their freedom and in mid-1940 their country became part of the Soviet Union.

Thousands of Lithuanians were imprisoned and then exiled to Siberia.

By the end of June 1941, more than 35,000 Lithuanians were in exile. Many more thousands were deported after the war, so that in 1948–49 an estimated 10 percent of the population suffered this fate.

To this day, unfortunately, these patriotic Lithuanians are still in exile, suffering in the desolate areas of Asiatic Russia, while their compatriots in the homeland also suffer under the ruthlessness of Communist totalitarian rule.

So while the last world war brought death and destruction to many peoples, it brought terror and tragedy to Lithuania. And in observing the anniversary of Soviet deportation of these innocent Lithuanians, we echo the genuine patriotic sentiments of their liberty-loving compatriots everywhere.

Soviet Deportation of Lithuanians

EXTENSION OF REMARKS

OF

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1961

Mr. CAREY. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to add my statement in commemoration of the tragic deportation of Lithuanians by the Soviet Union during the years 1940–41. This act illustrates to all of us once again the great inhumanity of the Soviet regime.

At the end of the First World War when Lithuanians regained their freedom they and their friends everywhere hoped that they would live in their ancient homeland in peace and prosperity. During the interwar years they did create prosperity, and enjoyed it in freedom as long as they were allowed to have freedom. But their most powerful and ferocious adversary, the leaders of the Soviet Union, had decided that Lithuanians should have no more freedom than the people of the Soviet Union. Thus they decided to eliminate Lithuania, along with its two neighboring Baltic States, as an independent and free state. This they did in 1940. At that time the Western Powers were deeply involved in the war. Thus Moscow carried out its evil designs with impunity.

By mid-1940 helpless Lithuania lay at the feet of her invaders, Red army troops, and her people enslaved under Communist tyranny. Then the new masters of Lithuania made a clean sweep of all