The proponents of this bill can talk from now on in support of this bill, but the real down-to-earth facts are, that to reduce tariffs on any commodity manufactured in the United States can only add insult to injury for our economy from top to botton. And our farmers will suffer in the backwash.

Under present circumstances, how, I ask in all sincerity, can anyone vote to give this President or any President the power to reduce tariffs, even with all the so-called safeguards provided in this bill, while good American wage earners by the tens of thousands are losing their jobs because of the very low tariffs on imports already in effect? Facts are we are fast heading for free world trade. Karl Marx, the daddy of communism in one of his last speeches, said, "I am for free world trade because that is the fastest way to communize the world." Mr. Speaker, to lower our tariff more, would surely be playing right into the hands of the Commies.

SENATE

FRIDAY, JUNE 29, 1962

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

Rev. Leonard DeLautre, pastor, Centenary Methodist Church, Lexington, Ky., offered the following prayer:

O God, our Father, we lift our hearts in grateful praise for the love and mercy that have graciously brought us to this sacred hour. We thank Thee for the rest of body, for the peace of soul, and for the strength of purpose Thou hast given. We thank Thee that Thou hast closed the door upon yesterday, and that Thou dost offer us today a spotless page upon which we may write a richer and fuller declaration of our best selves.

We pray Thy blessing upon these human creatures that Thou and the people of this blessed land have entrusted with so many grave and crucial responsibilities. Help these honored men, so pressed for time, so exposed to insidious pressures, so beset by crushing problems, to have the courage and the will to be true to their brightest dreams of God and man. Help them, we implore Thee, to be deaf to the wooing of words and the clamor of selfish voices. Give them, we pray, patience in failure, charity in strife, and humility in victory. Help them, O God, to write today, with selfless deeds, a page in our history so bright with promise that the discouraged and bewildered of the world will lift up their heads, and that ages yet unborn will look back upon this day and upon them with pride and gratitude.

In Jesus' name. Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 28, 1962, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 28, 1962, the President had approved and signed the following acts:

S. 1745. An act to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia;

S. 2164. An act to authorize the Secretary of the Interior to cooperate with the First World Conference on National Parks, and for other purposes;

S. 3203. An act to extend the Defense Production Act of 1950, as amended, and for other purposes; and

S. 3291. An act to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H.R. 10095. An act to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes;

H.R. 11990. An act to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act; and

H.J. Res. 769. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

HOUSE BILL REFERRED

The bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, was read twice by its title and referred to the Committee on Finance.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair appoints Mr. ERVIN, Mr. JORDAN, Mr. JOHNSTON, and Mr. KUCHEL as members on the part of the Senate of the North Carolina Tercentenary Celebration Commission, established by Public Law 87-437.

Pursuant to House Concurrent Resolution 438, the following Senators are hereby appointed as members of the joint committee to represent Congress at the forthcoming ceremonies to be conducted at Roanoke Island, N.C., during the week beginning August 12, 1962, for the celebration of the 375th anniversary of the birth of Virginia Dare, in commemoration of the 375th anniversary of the landing of Sir Walter Raleigh's colony on Roanoke Island, N.C., and the birth of the first English child in America, Virginia Dare:

Senator COTTON of New Hampshire, Senator ERVIN of North Carolina, Senator HOLLAND of Florida, Senator HRUSKA of Nebraska, Senator JACKSON of Washington, and Senator JORDAN of North Carolina.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. HUMPHREY, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. HUMPHREY, and by unanimous consent, the Public Health Subcommittee of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

On request of Mr. BARTLETT, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

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

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

EXECUTIVE MESSAGES REFERRED

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

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

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

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

William H. Orrick, Jr., of California, to be Deputy Under Secretary of State;

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Charles Edward Rhetts, of Indiana, to be Ambassador Extraordinary and Plenipotentiary to Liberia;

William M. Rountree, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of the Sudan;

Leonard Unger, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Laos; and

Samuel D. Berger, of New York, and sundry other Foreign Service officers, for promotion from class 1 to the class of career minister.

By Mr. BUTLER, from the Committee on Commerce:

John S. Patterson, of Maryland, to be Federal Maritime Commissioner.

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

U.S. DISTRICT JUDGES

The Chief Clerk read the nomination of Ben C. Green, of Ohio, to be U.S. district judge for the northern district of Ohio.

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

The Chief Clerk read the nomination of Roger D. Foley, of Nevada, to be U.S. district judge for the district of Nevada.

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

U.S. ATTORNEY

The Chief Clerk read the nomination of Drew J. T. O'Keefe, of Pennsylvania, to be U.S. attorney for the eastern district of Pennsylvania for a term of 4 years.

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

U.S. MARSHAL

The Chief Clerk read the nomination of Jesse L. Dobbs, of Texas, to be U.S. marshal for the western district of Texas for a term of 4 years.

Mr. YARBOROUGH. Mr. President, I rise to recommend confirmation of the nomination of Mr. Jesse Dobbs, of Pearsall, Tex., to be U.S. marshal for the western district of Texas.

Jesse Dobbs is the highly qualified and experienced sheriff of Frio County, Tex.

Mr. Dobbs is 44 years old; and he became sheriff of Frio County on January 1, 1949. He has served effectively in this capacity for the past 13 years.

Mr. President, representatives of the Sheriffs' Association of Texas have not been recognized in recent years by appointments to be U.S. marshals in Texas.

In order to be a better peace officer, Mr. Dobbs has studied the law and modern methods of criminal investigation, apprehension and detention of prisoners, each year attending numerous schools and seminars conducted by the Federal Bureau of Investigation, the Texas Department of Public Safety, and the office of the Attorney General of the State of Texas. Jesse Dobbs is an active member of the Texas Sheriffs' Association, having served on its board of directors. I understand that he served for 2 years as president of the Southwest Texas Peace Officers' Association.

The western district of Texas handles the third largest number of prisoners of all the judicial districts in the Nation; and a competent, experienced peace officer is needed as U.S. marshal in this district. Jesse Dobbs, the sheriff of Frio County, Tex., is well qualified in every respect to serve as U.S. marshal for the western district of Texas.

So, Mr. President, I request that the Senate confirm the nomination of Jesse L. Dobbs to be U.S. marshal for the western district of Texas.

The VICE PRESIDENT. The question is, will the Senate advise and consent to this nomination?

Without objection, the nomination is confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army, which had been placed on the Secretary's desk.

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

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

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

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

LEGISLATIVE SESSION

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

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, with amendments:

S. 3392. A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 1671).

By Mr. HILL, from the Committee on Appropriations, with amendments:

H.R. 10904. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 1672).

By Mr. BYRD of West Virginia, from the Committee on Armed Services, without amendment:

H.R. 4330. An act to provide uniform computation of retired pay for enlisted members retired prior to June 1, 1958, under section 4 of the Armed Forces Voluntary Recruitment Act of 1945, as amended by section 6(a) of the act of August 10, 1946 (60 Stat. 995) (Rept. No. 1673).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey (Rept. No. 1674).

REPORT ENTITLED "PROPOSED AGREEMENT FOR COOPERATION FOR MUTUAL DEFENSE PURPOSES BETWEEN THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF BELGIUM"—REPORT OF A COMMITTEE (S. REPT. NO. 1670)

Mr. PASTORE, from the Joint Committee on Atomic Energy, pursuant to section 202, Atomic Energy Act of 1954, as amended, submitted a report entitled "Proposed Agreement for Cooperation for Mutual Defense Purposes Between the Government of the United States and the Government of Belgium," which was ordered to be printed.

CREATION OF A SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS—REPORT OF A COMMITTEE

Mr. MUSKIE, from the Committee on Government Operations, reported an original resolution (S. Res. 359) authorizing the creation of a Subcommittee on Intergovernmental Relations, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by subsection 1(g)(2)(D) of rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of intergovernmental relationships between the United States and the States and municipalities, including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959.

SEC. 2. For the purposes of this resolution the committee, from the date of approval of this resolution to January 31, 1963, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,400 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1963.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $40,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mrs. NEUBERGER:

S. 3490. A bill for the relief of Oh Shin Young; to the Committee on the Judiciary.

By Mr. PASTORE:

S. 3491. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. BIBLE (by request):

S. 3492. A bill to provide for the creation of Horizontal Property Regimes in the District of Columbia; to the Committee on the District of Columbia.

By Mr. EASTLAND (for himself, Mr. JOHNSTON, Mr. MCCLELLAN, and Mr. TALMADGE):

S.J. Res. 207. Joint resolution proposing an amendment to the Constitution of the United States permitting the offering of prayers and the reading of the Bible in public schools in the United States, and relating to the right of a State to enact legislation on the basis of its own public policy on questions of decency and morality; to the Committee on the Judiciary.

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

RESOLUTION—CREATION OF A SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. MUSKIE, from the Committee on Government Operations, reported an original resolution (S. Res. 359) authorizing the creation of a Subcommittee on Intergovernmental Relations, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. MUSKIE, which appears under the heading "Reports of Committees.")

PROPOSED AMENDMENT OF CONSTITUTION RELATING TO OFFERING OF PRAYER AND READING OF BIBLE IN PUBLIC SCHOOLS, UNDER STATE CONTROL

Mr. EASTLAND. Mr. President, I introduce, for appropriate reference, a joint resolution on behalf of myself, the Senator from South Carolina [Mr. JOHNSTON], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Georgia [Mr. TALMADGE], to amend the Constitution of the United States.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 207) proposing an amendment to the Constitution of the United States permitting the offering of prayers and the reading of the Bible in public schools in the United States, and relating to the right of a State to enact legislation on the basis of its own public policy on questions of decency and morality, introduced by Mr. EASTLAND (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. EASTLAND. Mr. President, this joint resolution is introduced to achieve two purposes: One, to wholly and completely nullify both the effect and implication contained in the decision of the U.S. Supreme Court this past Monday denying to children in the State of New York the privilege of participating in nonsectarian prayers in the public schoolrooms; and, two, to alleviate, in part, the awesome consequences that flow from the opinion rendered in the Manuel Enterprise case of that same day, declaring that the dissemination of pornographic literature designed to appeal to homosexuals was not obscene and indecent under existing statutes.

The widespread protest and criticism of the Supreme Court in denying to the schoolchildren the right to voluntarily utter prayers to their Creator leaves little for me to say at this time in regard to the effect of this decision. In the minds of little children not versed in the intricacies of law, it can well create the fixed impression that the act of praying to God is in itself unconstitutional wherever the prayer might be uttered. At a later time I propose to speak at length and in great detail on this subject.

The second decision which I mentioned above involves an area of human depravity that so shocks the moral sensibilities of all decent-minded people that it is with hesitancy that I even mention the subject in public utterance. However, if morality and decency are to prevail as a way of life in these United States, the courts must be checked in giving unlimited license for the purveyors of filthy, indecent, obscene, and lascivious literature and pictures to prey on the baser instincts of the youth of our land, such subjects must be discussed.

In 1959 the Supreme Court rendered a historic opinion involving the book known as "Lady Chatterley's Lover," whereby the Court held that the Constitution protects advocacy of the opinion that adultery may sometimes be proper. Since this decision was rendered the country has been flooded with a rising tide of so-called literature and picture books that reach depths of moral depravity, filth, lasciviousness, and vileness never before witnessed in a Christian civilization. The decision of last Monday goes a step so far down the road toward opening the door to complete moral disintegration that it is the straw that breaks the camel's back. It held that the Postmaster General could not bar the use of the mails to certain obscene and filthy materials that were directed to homosexual cults.

This decision was rendered in face of the fact that the practices of these cults have been declared illegal, immoral, and a crime against nature since the dawn of civilization. Condemnation of these base impulses was found in the Law of Moses, found in the Roman law, found in the ecclesiastical courts of the Middle Ages, transplanted to the common law of England, brought to America by the colonists, and finally implanted in the statute law of 50 States.

Our proposed constitutional amendment involving obscene and indecent literature and pictures only goes so far as to place in the hands of the States the necessary power to deal with the issue of obscenity in accordance with the standards of decency and morality at the level of the State and local community. The vexing problem of how Congress can legislate in this area to give effective power to the Postmaster General to control the use of mails must be solved at a later date. Adoption of this proposed amendment will go a long way down the road to an effective check of obscene and indecent materials being laid open to the public in every nook and corner of our country.

The authors of this proposed amendment deeply feel that an immediate opportunity should be given to the moral and spiritual leaders of this country and all other right thinking men and women to appear before a congressional committee and register, if they choose, their convictions as to the advisability and importance of the immediate adoption and submission to the States of amendments in a form such as those herein suggested. I hope it will be possible for the Judiciary Committee to commence hearings on this proposed amendment and others in the near future. Notice will be given to the public of the time they will be set.

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. JAVITS (for himself, Mr. COOPER, Mr. KEATING, and Mr. KUCHEL) submitted an amendment, intended to be proposed by them, jointly, to the amendment proposed by Mr. ANDERSON (for himself and other Senators) to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MCCARTHY (for himself, Mr. HUMPHREY, Mr. HART, Mr. DOUGLAS, Mr. JAVITS, Mr. KEATING, and Mr. SCOTT) submitted amendments, intended to be proposed by them, jointly, to House bill 10606, supra, which were ordered to lie on the table and to be printed.

PRINTING AND DISTRIBUTION OF ADDRESS BY GENERAL MACARTHUR TO THE WEST POINT GRADUATING CLASS

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the Armed Services Committee be discharged from the further consideration of Senate Resolution 351, requesting the Secretary of Defense to distribute the speech delivered by Gen. Douglas MacArthur when he received the Sylvanus Thayer Award, and that the Senate proceed immediately to the consideration of the resolution.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered; and the Senate will proceed to consider the resolution.

Mr. DIRKSEN. Mr. President, the address was delivered by General of the Army MacArthur before the cadets of

the U.S. Military Academy, at West Point; and the address is truly an eloquent one. The resolution was submitted by the Senator from Utah [Mr. BENNETT], on behalf of himself and a number of other Senators.

Mr. President, I ask that the resolution be agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution (S. Res. 351) was agreed to, as follows:

Whereas General of the Army Douglas MacArthur is one of the most distinguished graduates of the United States Military Academy and one of the most honored and revered military leaders in our Nation's history; and

Whereas General MacArthur on May 12, 1962, delivered a historic address before the cadets of the United States Military Academy at West Point, upon his acceptance of the Sylvanus Thayer Award; and

Whereas this address is an eloquent expression of the concept of "duty, honor, and country" which motivates American servicemen everywhere: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Defense should cause this speech to be reprinted in an appropriate format and that it should be distributed to units of the Armed Forces of the United States throughout the world.

VETERANS' GUARANTEED AND DIRECT HOME LOANS

Mr. SPARKMAN. Mr. President, during the last session of the Congress, legislation was enacted to "phase out" the Veterans' Administration guaranteed and direct home loan programs provided by the Serviceman's Readjustment Act of 1944, more commonly referred to as the GI bill of rights.

The manner in which the "phase out" is to be accomplished is through a formula which establishes how long the eligibility of the individual World War II and Korean conflict veteran will continue.

The formula adopted last year provides that World War II and Korean conflict veterans' entitlement to the benefits of the GI bill of rights will expire 10 years from the date of discharge or release from the last period of active duty during World War II, or the Korean conflict, plus an additional period equal to 1 year for each 3 months of World War II, or Korean conflict, active duty. The law further provides that no entitlement for World War II veterans would end before July 25, 1962, nor would entitlement go beyond July 25, 1967. In the case of Korean conflict veterans, no entitlement would go beyond January 31, 1975.

We, of course, realized when establishing this formula that some World War II veterans' eligibility pursuant to such a formula may have expired prior to 1961. Therefore, in order to give all World War II veterans equal treatment, the law was written so as not to cut off any veteran before July 25, 1962.

Thus, on July 25 of this year, and each day thereafter, some World War II veterans will lose their right to participate in the guaranteed and direct loan programs.

It is my understanding that the Veterans' Administration has been and is giving wide publicity to this matter. However, I am taking this opportunity to remind all Senators that veterans will, under present law, begin to lose their rights to participate in the home loan programs contained in the GI bill on July 25 of this year. It may be some Senators will want further to advise veterans in their States on this subject.

Under the provisions of the guaranteed loan program, if a loan report or an application for a loan guaranty is received by the Administration before the date of expiration of the veteran's entitlement, the loan may be guaranteed or insured even though the veteran's entitlement expires prior to the approval of the application.

This is not the case under the direct loan program. Under that program, the veteran must receive a commitment from the VA prior to the termination date of his entitlement. Unless he receives such a commitment, even though he has filed an application and has been placed on the waiting list, he loses his right to participate in the program when his entitlement expires.

I am advised by officials of the VA that just prior to July 25, 1962, all veterans who have made applications for direct home loans and who are on the waiting list will be issued a 1-year conditional commitment. This conditional commitment will have the effect of extending the eligibility of those on the waiting list for the 1-year period.

Last year, when we established the formula for phasing out this program, we also provided sufficient money authorizations to take care of pending direct loan applications. In addition, we believed the moneys authorized for this program would be sufficient to cover any influx of applications which might occur when World War II veterans realized that their eligibility to participate in the program was terminating. Because of decisions made by the Bureau of the Budget, the VA has been barred from drawing funds from the Treasury needed to make loans to those who have applied under the direct loan program. It is because of this circumstance that the VA will now, just prior to July 25th, issue conditional commitments to the veterans on the direct home loan waiting list.

Perhaps I should add at this point that this conditional commitment does not mean automatic approval for a loan. The veteran's application still must be subjected to the regular direct loan underwriting procedures. The conditional commitment, however, will preclude those veterans on the waiting list from losing their eligibility, since the necessary funds to make direct home loans have not been available.

The housing programs in the GI bill of rights have served our veterans well. On March 31, 1962, more than 5.7 million mortgages, aggregating more than $51.6 billion, had been guaranteed by the Veterans' Administration; and on the same date more than 200,000 home loans, aggregating over $1.7 billion had been made by the VA pursuant to the direct home loan program.

The confidence placed in veterans by Congress when enacting these laws—that is, that the veterans would pay off their mortgage indebtedness—has been proved over and over again. Presently, losses under the guaranteed home loan program have totaled less than 8½ cents for every $100 of original face amount of the loan, and the direct home loan program currently shows a surplus of $93 million after losses and administrative and operational expenses are deducted. Indeed, this is an enviable record.

I believe that the GI bill of rights was one of the most important pieces of legislation ever enacted into law; and since the right to participate in this legislation will soon terminate for some veterans, I believe it is all important that every veteran know just where he stands. Any veteran having questions about his entitlement to use the GI bill of rights should immediately contact the local office of the Veterans' Administration.

RETIREMENT OF LT. GEN. ARTHUR G. TRUDEAU

Mr. AIKEN. Mr. President, on June 30 the Nation will lose, through retirement from active military service, its foremost soldier-scientist — Lt. Gen. Arthur Gilbert Trudeau, of the U.S. Army.

Through more than four decades of dedicated service, his life and career have been inspired by love of country and dedication to the principles that have made our Nation great.

He is a scholar, a statesman, and a soldier in the finest tradition.

Thoughout his entire life, as he has proceeded from one high calling to another, he has always possessed a sincere pride in his home State, Vermont.

General Trudeau was born in Middlebury on July 5, 1902, and grew up in this community.

He received his early education in the Middlebury public schools; and, upon graduation from Middlebury High School, he entered West Point, to embark on the career that was to number him among Vermont's military great.

It has been my privilege to work with General Trudeau on a number of occasions, and I hold him in the highest regard, both as a friend and as a man of distinguished ability.

The RECORD should list a few of the highlights of General Trudeau's career.

Early in World War II he was one of our leading experts in amphibious operations.

In 1944 he was promoted to brigadier general and named the Director of Military Training for the Army Service Forces.

Two years later he became Chief of the Manpower Control Group of the General Staff and, in 1948, was commander of the 1st Constabulary Brigade in Germany.

General Trudeau returned to Washington in 1950 to be deputy commander of the reactivated Army War College, and in 1952 he commanded the 1st Cavalry Division in Japan and the 7th Infantry Division in Korea.

In 1953 he became Assistant Chief of Staff for Intelligence in Washington; in 1955 he returned to Japan as Deputy Chief of Staff, Far East and the United Nations Command.

In 1956 he was promoted to the rank of lieutenant general in command of the I Corps Group in Korea.

General Trudeau began his most important assignment in 1958 as Chief of Army Research and Development.

In the 4 years since then he has performed a monumental service in directing the modernization of our ground forces.

General Trudeau has been responsible for the prompt and radical improvement of our firepower through the early development of tactical nuclear weapons.

He has increased public recognition and support of the vast potential defensive power represented by chemical and biological agents, and through his efforts considerable advances have been made in the development of nonlethal incapacitating agents.

By fostering important new advances in military vehicles, particularly aircraft capable of operating in all types of climates and environment, he has improved the ground and air mobility of our combat forces.

Nine times General Trudeau has been decorated by our country, twice for gallantry in action.

Six foreign nations and the United Nations have honored him, and seven American universities and colleges have given him honorary degrees.

In 1959, General Trudeau received the Medal of the Patriotic Sons of America; the following year, the "Man of the Year Award" of the 1960 Festival of Leadership banquet in Chicago; and in 1961, the Freedom Foundation Award of the George Washington Honor Medal.

As a private citizen, General Trudeau will, on July 1, become president of the Gulf Research and Development Co. without taking a day off between jobs.

This is characteristic of the man, who recently told the graduating class of Pennsylvania Military College:

> There is no easy road to success in any business or profession—and learn early the lesson that a true sense of success is to be found in the struggle, not the prize.

It is with real affection that I pay tribute to Arthur G. Trudeau and ask that at this point in the RECORD there be entered the following Presidential citation bestowed upon General Trudeau when he recently returned to Korea to review the units he commanded in battle.

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

> The President of the United States of America, authorized by act of Congress, July 9, 1918, has awarded the Distinguished Service Medal (Second Oak Leaf Cluster) to Lt. Gen. Arthur G. Trudeau, U.S. Army, for exceptionally meritorious service in positions of great responsibility.
>
> Lt. Gen. Arthur G. Trudeau distinguished himself by eminently meritorious conduct in the performance of outstanding service to the Government in successive positions of great responsibility during the period November 1953 to June 1962. From November 1953 to May 1958, General Trudeau served consecutively as Assistant Chief of Staff, G–2, Headquarters, Department of the Army; concurrently as Deputy Chief of Staff for Plans, Headquarters, United Nations Command and Headquarters, Far East Command; and commanding general, I Corps (Group), 8th U.S. Army, Korea. In each of these important staff and command positions, General Trudeau demonstrated decisive leadership, sound judgment, organizational ability, and professional competence. As a commander, he revealed a deep sense of duty and interest in the morale, esprit, and moral standards of his troops. Although his corps was comprised of troops of the United States, Republic of Korea, United Kingdom, Thailand, and Turkey, he skillfully welded this group into a powerful fighting force by his forceful leadership, diplomacy, and outstanding military skill. General Trudeau culminated his brilliant career by serving with distinction as Chief, Research and Development, Headquarters, Department of the Army. His keen perception and unique executive, organizational, and planning ability enabled him to surmount numerous obstacles and effectively resolve varied complex problems. His broad technical and professional knowledge, diplomacy, innate ability to inspire team spirit, and able administration of all activities in his areas of responsibility resulted in the successful accomplishment of research and development objectives of the utmost significance to the U.S. Army, the national defense and the security of the free world. General Trudeau's distinguished performance of duty throughout this period represents outstanding achievement in the most honored and cherished traditions of the U.S. Army and reflects great credit upon himself and the military service.

SALE OF MIGS TO NASSER

Mr. KEATING. Mr. President, this morning's news of Soviet sales of Migs to Egypt's President Nasser is shocking. Some time ago, when the question of increased U.S. aid to Nasser first came to public notice, I inquired of the Secretary of State what guarantees we would seek to make sure that Nasser did not use our funds to purchase more military equipment from the communistic bloc.

In reply, on May 11, the State Department did not even go into the question of guarantees. It denied my suggestion that arms purchases had contributed to Nasser's economic ills, and provided nothing but excuses for further appeasement.

In the light of this latest announcement, which is exactly what I had in mind when I originally contacted the Department of State, I would like to read into the RECORD the following paragraph of the State Department letter:

> As regards the economic situation, the United Arab Republic has been contending with a number of difficulties, particularly in respect of its short-term balance of payments. Its long-term economic development plans appear well conceived and effectively implemented. The United Arab Republic's current economic difficulties stem principally from a severe crop disaster of last summer rather than from policy with regard to arms acquisitions.

Mr. President, to clarify this situation, which is developing exactly along the lines of my worst expectations, I am again contacting the Department of State to determine: first, the approximate price Nasser is paying for Soviet Mig–21's; second, the extent of U.S. loans and grants to Nasser programed for the next fiscal year; third, the reason why this purchase was not revealed to the American public until after both Houses of the Congress had approved the foreign aid authorization bill and until actual delivery of planes to Nasser had begun.

It is inconceivable this was not known to the Department before that time.

Mr. President, in my judgment, this is exactly the sort of situation which I had hoped to cover in my amendment, which was accepted as part of the foreign aid bill. My amendment stated in part:

> It is further the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of U.S. assistance, divert their own economic resources to military or propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this act.

The American taxpayers are getting sick and tired of giving aid to countries which use their own economic resources to buy military equipment from the Soviet Union. This language is designed to meet that express situation. It does not tie the President's hands in any way, but it shows we mean business. It is very important that this language stay in the foreign aid bill.

Under this language, a reconsideration of U.S. aid to Nasser is clearly called for and I have urged the State Department to undertake it without further delay, before it is too late.

Mr. President, I also ask unanimous consent to include in the RECORD, following my remarks, the text of my April 27 telegram to the Department of State, of the May 11 reply, and of the article by Warren Rogers, Jr., in the New York Herald Tribune.

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

APRIL 27, 1962.

The Honorable DEAN RUSK,
Secretary of State,
Washington, D.C.:

I am very deeply disturbed by reports of increased, long-term U.S. aid to Egypt's Nasser. I would appreciate it if you would advise what can be accomplished by this aid. One of the reasons behind Nasser's present difficulties is his extensive arms deals with Soviet-bloc nations and the concomitant mortgages in Egypt's cotton crop. Have we sought or received any assurances that Egypt's own resources will be put to better use, that Nasser's weapons buildup will be halted, and that Nasser will discontinue his arms race with Israel? Without such guarantees I am seriously afraid our aid may only have the effect of strengthening Nasser in his dangerous policy of exterminating Israel. I would very much appreciate your comments and reassurances on these points before any additional aid is extended.

KENNETH B. KEATING,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, May 11, 1962.

The Honorable KENNETH B. KEATING,
U.S. Senate.

DEAR SENATOR KEATING: On the Secretary's behalf I am replying to your telegram of April 27 requesting our comments on reports of increased long-term U.S. aid to the United Arab Republic and asking what can be accomplished by this aid.

U.S. economic assistance projects in the United Arab Republic, in effect or contemplated, represent a continuation of policies instituted in 1958 aimed at restoring

normal relations following a period of strain in the years just preceding.

Recently a number of Americans, known for their experience in political and economic matters, visited the United Arab Republic, toured the countryside, and talked to the people and to officials of the United Arab Republic at some length. The conclusions they drew from their visits, shared by our Ambassador in Cairo, are that the United Arab Republic is determined to maintain its national independence, that our economic assistance has had a beneficial effect on our relations, and that there is a desire within the United Arab Republic to maintain and if possible improve relations with the United States within the context of the United Arab Republic's policy of nonalinement. The United Arab Republic has consistently opposed the activities of the Communist Party in the Near East and has rejected any affiliation with the Soviet or other power blocs.

As regards the economic situation, the United Arab Republic has been contending with a number of difficulties, particularly in respect of its short-term balance of payments. Its long-term economic development plans appear well-conceived and effectively implemented. The United Arab Republic's current economic difficulties stem principally from a severe crop disaster of last summer rather than from policy with regard to arms acquisitions.

Our economic assistance is, therefore, directed primarily toward assisting the orderly development of a large, populous, strategically located country in an important area of the world. The people of the United Arab Republic are determined to search for progress. They will turn elsewhere if they cannot obtain from the United States and other Western countries the help they need.

The foregoing does not imply that all of our differences with the United Arab Republic have been resolved or are likely to be resolved in the near future, especially as regards the enormously complex problem of Palestine which has awaited solution for 14 years. Whereas we obviously do not agree with many aspects of the United Arab Republic position on this question, it may be said, on the positive side, that the United Arab Republic-Israel border has been quiescent for several years and that the United Arab Republic military posture vis-a-vis Israel is essentially defensive. We have been assured on numerous occasions by United Arab Republic and other Arab officials that they do not intend to undertake aggression against Israel.

The persistent interest of our Government in contributing to solution of the difficult Palestine issue is reflected, of course, in our support for the efforts of Dr. Joseph E. Johnson, president of the Carnegie Endowment for International Peace, who is, as you may know, now in the Near East as Special Representative of the Palestine Conciliation Commission to discover, if possible, some means toward solution of the Arab refugee question.

We hope that the foregoing may provide an understanding of our economic assistance program. If you require further background please do not hesitate to call upon us.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary of State.

[From the New York Herald Tribune]

ARABS GET NEW MIGS IN BUILDUP

(By Warren Rogers, Jr.)

The United Arab Republic has received the first of 40 Mig–21 jet fighters from the Soviet Union, according to reliable reports.

This is the third hottest jet fighter in the Soviet arsenal. It flies 1,200 miles an hour, reaches an altitude of 60,000 feet and mounts Sidewinder-type rockets that seek out and destroy enemy aircraft. Only the SU–15 and SU–16 out perform it among Russian fighter planes.

The Kremlin's offer of Mig–21's to India recently set up an international furor. President Kennedy and British Prime Minister Macmillan strove to dissuade Indian Prime Minister Jawaharlal Nehru not to accept the offer.

DEAL NOT PUBLICIZED

Moscow's Mig–21 deal with the United Arab Republic went virtually unnoticed. This was partly because of a new, tight secrecy that has enveloped all recent Soviet arms shipments to the United Arab Republic. It also was partly because Washington and London have become accustomed to massive Red arms supplies to Cairo, whereas a deal involving India, traditionally armed by the British, would add a new customer to the Russian arms market.

United Arab Republic President Gamal Abdel Nasser is reported to have requested Mig–21's after Israel began receiving a new French jet fighter, the Mirage III. His new outlay for weapons, aside from adding another spiral in the Middle East arms race, comes at a time when he is making a serious effort to stabilize the United Arab Republic economy by urging birth control, devaluing the currency and seeking economic aid from the United States and other sources, including the International Monetary Fund.

The Mig–21 is Soviet Premier Nikita Khrushchev's latest military gumdrop for enticing young nations into, or deeper into, the Communist embrace. He has made it available to Iraq and Indonesia.

But there are reports that he may be withholding it from Red China and the Soviet satellites, including Cuba. They seem to be making do with the Mig–19, which has a top speed of only 900 miles an hour and no capability for Sidewinder-type rockets.

The Russians are reported also to have changed their pilot-training technique with respect to the United Arab Republic. Previously, they delivered the planes and then began training the pilots. The training proved hopelessly inadequate during the 1956 Sinai campaign and Suez invasion. The current Soviet practice is to train the pilots first and deliver the planes afterward.

The Russians have about 10,000 fighter aircraft of all kinds. As they become obsolescent, due to development of better models, they are made available to other nations—the same practice followed by the United States with its allies and friends.

The SU–15 and SU–16 are the Soviet Union's best. They are in the mach 2 range, meaning they travel faster than 1,400 miles an hour and fly higher than 60,000 feet. They probably are rocket-boosted on takeoff.

The Mig–21 is comparable to America's F–104 Starfighter, whose Sidewinders proved so effective against Red China's Mig–17's and Mig–19's when flown by Nationalist Chinese during the Formosa Straits fighting in 1959.

SUPREME COURT DECISION ON PRAYER IN NEW YORK PUBLIC SCHOOLS

Mr. JAVITS. Mr. President, I should like to say a few words now, having considered carefully the decision of the Supreme Court on the school prayer of New York.

We in New York are especially interested in the Supreme Court school prayer decision because it concerns the New York Board of Regents and New York schools.

I speak personally as a man of religious background both in family tradition and in practice, and I believe firmly in prayer and in the right of every schoolchild to have an opportunity to pray to Almighty God.

I would like, however, to discuss this decision as a lawyer. After studying the decision carefully, it is my judgment as a lawyer that it is much narrower in its scope than the public debate about it suggests. The Supreme Court expressly decided only that the first amendment establishment clause is a bar to Government endorsement of "one particular kind of prayer or one particular form of religious services." It held that the State or Federal Governments are prohibited from prescribing by law "any particular form of prayer which is to be used as an official prayer in carrying on any program of governmentally sponsored religious activity." It is important to note that the concurring opinion, which takes a broader view of the decision, is, though entitled to respect, not the prevailing view of a majority of the Court.

Accordingly, I have informed the New York Commissioner of Education that I do not interpret the decision as altogether forbidding prayer in the schools. For example, if the Board of Regents recommended to school authorities that each day begin with a noncompulsory opportunity for a period of silent prayer and meditation, I would not consider this to be in defiance of the Court's ruling.

The fundamentally religious nature of the American way of life was very evident in the Court's decision. The majority opinion explains that the establishment clause was included in the first amendment along with the freedom of religion clause because it was recognized by the Founding Fathers that, historically, "the greatest dangers to the freedom of the individual to worship in his own way lay in the Government's placing its official stamp of approval upon one particular kind of prayer or one particular form of religious services."

Consequently, the decision in the final analysis would be interpreted as seeking to strengthen, rather than weaken, this most basic freedom of each of us, of worshiping in his own way and teaching each of our children to worship in his own way. Our efforts should therefore be directed to exploring the ways in which that cherished freedom can be exercised fully and consistently with the basic constitutional guarantees and structure of our Government.

I deeply believe that this does not exclude a period of prayer and devotion in our schools, and that this was not the thrust of the opinion.

WEST VIRGINIA WOMEN EXCEL IN COMMUNITY IMPROVEMENT—OUTSTANDING PROGRAM CONDUCTED BY LOGAN, W. VA., WOMEN'S CLUB — EFFORTS BRING $10,000 AWARD IN NATIONWIDE COMPETITION

Mr. RANDOLPH. Mr. President, the meaningful programs of community service which have been promoted by the women's clubs of West Virginia are graphic evidence that the citizens of our State are exercising the utmost energy to strengthen their economic standing.

As tangible recognition of this civic concern, the General Federation of Women's Clubs has presented the national first prize award of $10,000 to the Women's Club of Logan, Inc., for its superior program of community improvement.

On June 28 it was a pleasure, in company with Representative KEN HECHLER, to visit with West Virginia delegates in my office, and to become more fully cognizant with the wide scope of worthwhile activities supported by our State women's groups. All are deeply concerned with health, safety, sanitation, recreation, education, area redevelopment, and other phases of community well-being.

LOGAN WINS FIRST PLACE

During the annual convention of the General Federation of Women's Clubs, held here in Washington June 25 to 29, representatives of West Virginia women's organizations were repeatedly the recipients of honors for meritorious achievement. In addition to the $10,000 national first prize in the community improvement program, funds for which are provided by the Sears, Roebuck Foundation, West Virginia was awarded $500 for 100 percent participation from 246 clubs in community improvement, and a $1,000 prize for their outstanding programs in youth traffic safety.

Additional awards presented to West Virginia included cash awards to the communities of Mullens, Holden, and Widen, for their outstanding participation in civic lighting projects; and recognition of the St. Marys Women's Club for promotion of local physical fitness in cooperation with the President's Council on Youth Fitness. Further achievement was noted in the senior activities, under the able leadership of Mrs. John Scott, of Oak Hill, including first place awards in soil conservation, the saving stamp drive for school children, and garden projects; commendation received for participation in the seat-belt drive; and fund raising for CARE.

JUNIOR CLUBS ACHIEVE HONORS

With Mrs. Harry B. Sullivan acting as junior president additional honors were won in the following: Special awards in the accent on youth program, and for submitting the outstanding report in the Nation; first-place awards in the resolution contest, safety, conservation, American Home Week, and home life competitions; merit recognition in international club activities, Pan American Day, Latin American scholarship, and news and publications of the educational department; and finally, a plaque for able effort in behalf of CARE.

This impressive array of honors and awards takes on added significance when one considers that 18,000 clubs are members of the General Federation of Women's Clubs, and that the total membership exceeds 12 million women, with an additional 83 clubs in 36 foreign countries.

We particularly note also, that in the community improvement competition held in 1960, another West Virginia organization achieved national honors. The Women's Civic League of New Martinsville won second place, and received $5,000 with which to further an ambitious and worthwhile public service project.

Projects included in the winning Logan community improvement program were introduction of new industry; improvement of recreation facilities; a high school safety program; a United Fund drive; a radio fund raising campaign; closer cooperation with the chamber of commerce; participation in the Governor's traffic safety campaign; securing of new road facilities; organization of the Verdunville Womens' Club; promotion of State legislation; support of local library; aid to senior citizens; and the establishment of a comprehensive retraining program for unemployed mineworkers.

MRS. SCARBRO RECEIVES RECOGNITION

Recognizing the interest and success of women of West Virginia, the General Federation of Women's Clubs has appointed as director of its junior department Mrs. James A. Scarbro, of Montgomery, W. Va. Mrs. Scarbro has been an active and effective worker in women's club work in our State, as have been the following ladies who served as delegates to the General Federation of Women's Clubs convention: Mrs. R. H. Colvin, Logan, State safety committee chairman; Mrs. W. G. Woodcock, Vienna, president of the western district; Mrs. F. F. Wyatt, a member from Logan; Mrs. Keith Thacker, St. Marys, treasurer of the western district; Mrs. Edgar B. Fleming, St. Marys Women's Club president; Mrs. Elizabeth W. Ast, Holden, president of the southwest district; Mrs. C. C. Chambers, club member from Logan; Mrs. J. E. Rupert, St. Marys, past recording secretary of the West Virginia Federation; and Mrs. Basil Harrah, club member from Man, W. Va.

Special congratulations, commendations, and thanks are certainly due to the members of the Logan Women's Club, and to the residents of the Logan area for their wholehearted interest in promoting activities designed to create a more prosperous community.

MRS. HENRITZE AND MRS. BECKER CITED

A special vote of appreciation is due, likewise, to Logan Women's Club president, Mrs. T. L. Henritze, and to the chairman of the community improvement committee, Mrs. William Becker, who accepted the $10,000 award on behalf of the citizens of Logan.

Mr. President, we are fortunate to have energetic and patriotic women's clubs in our cities, towns, and rural areas, and I am confident that in the future they will continue to stimulate and demonstrate programs of community advancement and civic merit.

THE LORD'S PRAYER AND THE PUBLIC SCHOOLS

Mr. McGEE. Mr. President, the recent decision of the Supreme Court concerning prayer in the schools has sparked a great deal of comment and debate in this Chamber and across the Nation.

Some of the keenest minds of the Nation are now being focused on the implications of this decision, the Court which made it, and the U.S. Constitution.

One of the finest authorities on the subject of the Constitution that I know of—my greatly admired and respected former colleague, Senator Joseph C. O'Mahoney—has recently made a statement on this issue which I think will be of immense interest to everyone.

I need not remind my colleagues that Senator O'Mahoney has long been noted as a man who has devoted a lifetime to the preservation of the Constitution and who, during his brilliant career in the Senate, was often called upon to settle questions bearing on the constitutionality of proposed legislation. He labored tirelessly to maintain the balance between the executive, legislative, and judicial branches of our Government. No one will forget his opposition to President Roosevelt's attempt to pack the Supreme Court.

I ask unanimous consent, Mr. President, that Senator O'Mahoney's statement on the recent Court decision be printed at this point in the record with the knowledge that his views will be of utmost interest to all concerned with this matter.

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

STATEMENT BY JOSEPH C. O'MAHONEY, U.S. SENATOR FROM WYOMING, RETIRED

The decision of Justice Black in the Supreme Court yesterday is not a decision sustained by the Constitution, but has turned loose upon the people of the United States the very danger that the constitutional fathers sought to avoid when they wrote the first section of the first amendment which reads: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

The plaintiffs in this case are residents of Long Island. They are no part of Congress. They have no right to pass a law or to establish a religion for the United States, nor have they any right to alter any of our traditional practices. These plaintiffs were members of various religions and part of them were nonbelievers, so that the decision of Justice Black has opened the door to atheists to prohibit, by citing his decision as the law of the land, the agelong practice that Americans have always followed of announcing their belief in God. "In God We Trust" are the words stamped upon our silver dollar. "In God We Trust," we announce on our dollar bill. Every oath of office an officer of this country takes is based upon our national attitude toward religion, but there never has been an establishment of religion nor has there ever been an establishment of nonreligion, which is what will be attained if the Black decision should now be followed. It is not the law of this land.

Justice Black's misinterpretation of the plain words of the Constitution is proven by his own words which he uses in the decision. The Establishment Clause, Justice Black writes, "stands as an expression of principle on the part of the founders of our Constitution that religion is too personal, too sacred, too holy, to permit its 'unhallowed perversion' by a civil magistrate."

This is exactly the reverse of what the Constitution says. The Constitution does not prohibit a civil magistrate from making a law to establish religion, nor does it prohibit any civil magistrate or any State official from providing for the reading of the Lord's Prayer in the public schools. It deals

only with things that Congress may not do. The amendment is as follows:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

It will be seen that this amendment adopted curiously enough by the Congress is a constitutional prohibition against itself, and contains no language to support Justice Black.

ONE HUNDREDTH ANNIVERSARY OF MORRILL ACT

Mr. McGEE. Mr. President, as a former member of the faculty of a land-grant university, I would like very much to join those Members of this body who have paid tribute to the 68 land-grant colleges and universities on the 100th anniversary of the Morrill Act, which established the land-grant system. This act was signed into law by President Lincoln on July 2, 1862.

Back in 1889 when the University of Wyoming received 90,000 acres of Federal land for use in endowing its academic program the faculty of that fledgling institution would have laughed at anyone who would suggest that the program which provided them with that land would, in 75 years, have endowed the universities and colleges which provide higher education for 20 percent of the Nation's college students.

Further I would like to point out that this program is very clearly Federal aid to education. A Federal aid bill passed by a Republican Congress and signed by a Republican President. Yet never have I heard complaints from any of the 68 colleges that this worthwhile program had interfered with their academic freedom. During my 23 years of teaching, 20 of those years were at institutions of learning receiving aid and assistance from the Federal Government. Yet not in one instance did I ever feel any Federal pressure to change my view or influence my presentation or use of classroom materials. The 100-year history of the Morrill Act and my experiences lead me to believe that those who charge that Federal aid is always linked to Federal control are not students of history. Nor have I heard these people ask for an end to the Federal aid which they already receive.

The University of Wyoming is a vigorous institution which this year celebrates its 75th anniversary. It is a tribute to the foresight of Civil War lawmakers that this fine institution and others like it, have been the backbone of our higher educational system and have led the way in so many of the scientific discoveries that have made our modern way of life possible.

The citizens of our great Nation are the beneficiaries of this program and they have received returns many times over the initial investment of public land approved by the Congress and President Lincoln.

This program made a college education possible for any American youth, regardless of his background or finances. I am convinced that without this broadening of our educational system, our Nation could not have made the technological and cultural advances that have made us the most powerful Nation on earth. I hope that our Nation will use the example of this program to meet the challenge to our educational system that we face today, and that through similarly bold and farsighted action we will be able to insure the invaluable experience of a higher education to our posterity.

OPEN SPACE AND URBAN DEVELOPMENT

Mr. WILLIAMS of New Jersey. Mr. President, recently the Housing and Home Finance Agency made a grant commitment of $2.1 million, its largest to date, to the Maryland-National Capital Park and Planning Commission to help acquire 4,000 acres of open space land in the National Capital area.

This grant was made under a program which I had the pleasure of sponsoring last year and which was enacted as title VII of the Housing Act.

There are several significant aspects to this grant. One is the value of this program in stimulating greater local effort in the task of preserving valuable scenic, recreation, and conservation land in our rapidly growing urban areas. The Federal grant represented 30 percent of the cost, and thereby triggered an expenditure of $4.9 million by the locality. With this combined effort, the commission was able to acquire more than half as much as it has been able to save in the last 35 years.

Another significant aspect is the way in which open space land can be and is being used not only to preserve valuable scenic, recreation, or conservation land, but also to help curb urban sprawl and encourage more economic and desirable urban development.

The acquisition does not simply represent the scattering of a few parks around the metropolitan area, it also represents an effort to help implement the overall development goals expressed in the Washington Year 2000 plan.

This multipurpose approach to the open space program is perhaps its most distinguishing feature, and it has been well illustrated in actuality by this grant to the Maryland-National Capital Park and Planning Commission.

Mr. President, I think other Senators would be interested in the thoughtful editorial comments made in the June 27 issue of the Washington Star and the June 28 issue of the Washington Post. I ask unanimous consent that the editorials be printed in the RECORD.

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

[From the Washington Star, June 27, 1962]

FOUR THOUSAND ACRES OF PARKS

With the expiration of Federal aid to acquire parks through the Capper-Cramton Act a few years ago, the suburban Maryland areas of the Nation's Capital were dealt a severe blow. Now, however, the acquisition program of the Maryland National Capital Park and Planning Commission has been given a massive shot in the arm through a $2.1-million grant from the Housing and Home Finance Agency which will pay 30 percent of the cost of 4,000 acres of additional parks in nearby Montgomery and Prince Georges Counties.

Fortunately, the political machinery already exists to raise the necessary 70 percent local share through a bond issue, to be financed through the liberal bicounty park taxes which the commission administers. Thus the value of this regional organization, one of the first of its kind in the country, has been demonstrated again. The present 7,000-acre bicounty park system has been developed over the last 35 years. In a single stroke, it now will grow to 11,000 acres. Eventually, the commission hopes to preserve a great deal of additional land in low-density use through new forms of zoning controls. The advantage of having a large sum of money available now, however, is that desirable park land which is in danger of imminent development can be purchased immediately to serve as a backbone of the total system.

We wish that nearby Virginia areas were in a similar position. Unfortunately the local jurisdictions of northern Virginia awakened only recently to the value of obtaining publicly owned open spaces to break the solid sprawl of urban growth. It is gratifying, however, that the Northern Virginia Regional Park Authority also has applied to the Housing Agency for a grant which would enable it to double the size of two regional parks. We hope the request is favorably considered, for the need is great.

[From the Washington Post, June 28, 1962]

FUTURE GREENERY

The Federal Government has given suburban Maryland its $2.1 million grant only to buy double purpose parks. The land must have recreational or scenic value to the community. But at the same time it must serve as a curb to aimless sprawl. Parks are not only for birdwatching and playing softball. They are also for enforcing an efficient and stable pattern of development upon rapidly growing suburbs.

There is a condition attached to that $2.1 million. To get the money, the Maryland National Capital Park and Planning Commission must show the Federal Authorities that it is carrying out a general plan to which at least 60 percent of the metropolitan area is committed. The commission foresees, of course, little difficulty here. Its plan for Montgomery and Prince Georges Counties, now nearing completion, is fitted into the area's Year 2000 plan. The Federal grant is an example of the most tangible of the benefits to be drawn from an energetic effort at metropolitan planning. Its requirements are very much like those that the area will have to meet in qualifying for Federal transportation grants.

Parks serving two purposes can sometimes serve three. The largest single purchase, under this grant, will lie northeast of Rockville where it will protect two flood control dams to be built by the Soil Conservation Service. Altogether every three Federal dollars will be matched by seven of the Commission's dollars to buy 4,005 acres, expanding by 60 percent, in 1 year, the park holdings that the commission has needed the past 35 years to acquire. Because the Maryland suburbs' population increases of the last decade are certain to be surpassed by the increases of decades to come, the acceleration of parkland purchases is essential to the preservation of their green pleasantness.

DECLINE IN FOREIGN TRADE HANDLED IN PORT OF NEW YORK

Mr. WILLIAMS of New Jersey. Mr. President, the port of New York is one of our great national assets. It seems to

me that it should be regarded as such, and that everything possible should be done to help it fulfill its vital function in our national economy. And yet, a new announcement indicates that this great port has suffered a further decline in tonnage. A news release, which I ask unanimous consent to have printed in the record, explains the details of this decline. I invite attention to the fact that that general cargo in 1961 was 5.44 percent lower than that handled in 1960.

It seems to me that this decline adds new urgency to two matters that have already been brought to the attention of the Senate in previous addresses made on this subject. Once more let me urge that corrective action be taken on two major causes of the decline:

First. The opening of the St. Lawrence Seaway and the concerted effort by various Government agencies to foster the St. Lawrence Seaway by diverting Government controlled cargoes from coastal ports to the seaway.

Second. An ever increasing program of port promotion, port development, and cargo solicitation by other ports. Over 20 various U.S. ports have trade development and cargo solicitation offices in New York City alone.

When it is noted that one out of every four employed persons in the New York-New Jersey metropolitan area is employed in a business that is directly related to the movement of cargo in and out of the New York-New Jersey Port area, it is then easy to realize the seriousness of the year after year continued loss of cargo through this great port.

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

A continuing decline in foreign trade cargo handled in the port of New York in 1961 poses a challenge to all Government and business interests in the New Jersey-New York Port area, according to a statement made today by S. Sloan Colt, chairman of the Port of New York Authority.

"The increased volume of semimanufactured and raw cargo materials shipped through competitive ports, and the inland rail freight structure that discriminates against the port of New York in favor of commerce through competitive ports, makes it imperative for a vigorous and concerted effort on the part of all concerned in order to maintain the port of New York's preeminent position in world trade," Mr. Colt said.

He noted that according to the port authority's annual report on foreign trade in the port of New York, the New Jersey-New York Harbor handled 12,994,112 long tons of foreign trade general cargo in 1961. This was 5.4 percent below the 13,736,545 tons handled in the New York customs district in 1960, and 0.7 percent below the 13,091,702 tons handled in 1959. General cargo provides more employment of labor and use of port facilities than does bulk cargo, which is generally handled through mechanically operated and industrially owned terminal facilities.

Comparable volumes for total U.S. oceanborne export-import general cargo showed an increase of 2.7 percent to 60,793,809 tons in 1961 from 59,170,441 tons in 1960. New York's share of the national volume of general cargo trade, therefore, declined 1.8 percentage points from 23.2 percent in 1960 to 21.4 percent in 1961, continuing the downward trend which began in 1952.

The port's share of 21.4 percent in 1961 compares with 23.2 percent in 1960, 24.7 percent in 1959, 27 percent in 1958, 24.9 percent in 1957, 25.9 percent in 1956, 27.6 percent in 1955, 28.5 percent in 1954, 33 percent in 1953, and 33.8 percent in 1952.

The total tonnage of foreign trade through the New York customs district, general and bulk cargo, was 38,733,257 tons in 1961, a decrease of 6 percent from the 41,214,687 tons in 1960, and a decrease of 8.8 percent from the 42,472,924 tons in 1959. This compares with a decrease of 1.6 percent for total U.S. foreign trade tonnage from 273,136,044 tons to 268,637,149 tons. Thus, the port of New York handled 14.4 percent of the total national foreign trade tonnage in 1961, as compared with 15.1 percent in 1960.

The cargo tonnages represent compilations and analyses prepared by the port authority from basic data of the U.S. Bureau of the Census. Chairman Colt stated that the port authority's trade development, promotion and protection program and its port development activities have been effective instruments in the promotion of New Jersey-New York Port business and in minimizing the loss due to discriminatory railrate differentials and other factors favorable to competitor ports.

"The port authority's marine development program at Port Newark, Elizabeth, Hoboken, and Brooklyn are important factors in assuring the modern shipping facilities in this premier port," he continued. "Such development is required to meet the competition of other ports and the additional competition from the St. Lawrence Seaway.

"Important projects such as the proposed world trade center, aggressive and continuing promotion of the port's trade and commerce, and new waterfront facilities are all part of the effort to keep New York's commerce at a peak level. All of this will enlarge this port's potential for international trade and bring significant economic benefits to the entire metropolitan region."

Mr. Colt noted that the New York-New Jersey Port offers far more frequent sailings and broader geographic coverage of shipping services to all important foreign trade areas than does any other port in the United States. Its banking, consular, forwarder and cargo-handling facilities and services are unmatched anywhere. It is the leading center for the marketing and distribution of all types of exports and imports, and is the favored location for most of the foreign purchasing missions and sales agencies maintained by other countries in the United States.

The New York-New Jersey Port is the recognized leader in handling general cargo. Nevertheless, the port's general cargo volumes during 1961 declined overall by 742,433 tons, representing a downward trend in both exports and imports. Exports declined by 315,950 tons and imports by 426,483 tons.

For the country as a whole, general cargo exports increased 8.7 percent from 30,788,778 tons to 33,461,748 tons; New York's volume decreased 5.2 percent from 6,047,223 tons to 5,731,273 tons. The national volume of imports declined 3.7 percent from 28,381,663 tons to 27,332,061 tons, while New York's went down 5.5 percent from 7,689,322 to 7,262,839 tons.

Bulk cargo movements, including coal, petroleum, ores, and grain through the New York-New Jersey Port District declined 6.3 percent from 27,478,142 tons in 1960 to 25,739,145 tons in 1961. The total volume of bulk cargoes moving through all U.S. ports showed a decline of 2.9 percent, from 213,965,603 tons in 1960 to 207,843,340 tons in 1961.

The decrease at New York in bulk cargo movements was accounted for primarily by reduced inbound movements of crude oil and metallic ores. Additional losses occurred through reduced outbound shipments of wheat, petroleum products, and foreign aid.

Nationally, decreases occurred in outbound movements of sorghum, soybeans, bituminous and lignite coal, fuel oil, sulfur, and foreign aid, and inbound shipments of crude oil, gypsum, iron ore, and inedible molasses. These losses more than offset gains in outbound corn, wheat, anthracite coal, coke, and iron ore, and inbound fuel oil, jet fuel, miscellaneous petroleum products, bauxite, and nitrogenous fertilizers.

The value of total oceanborne foreign trade tonnage via the New York-New Jersey Port in 1961 was $9.4 billion, a decrease of 3.1 percent compared to 1960. New York's valuation in 1961 represented a 38.1 percent share of total U.S. value, a decrease of 1 percentage point below the previous year. The figures for 1960 and 1961 for the United States and New York customs district are:

General cargo foreign trade, exports and imports, 1960–61

Year	United States	New York
Exports:		
1960 ..... long tons	30,788,778	6,047,223
1961 ..... do	33,461,748	5,731,273
Change ..... do	+2,672,970	−315,950
Percent	+8.7	−5.2
Imports:		
1960 ..... long tons	28,381,663	7,689,322
1961 ..... do	27,332,061	7,262,839
Change ..... do	−1,949,602	−426,483
Percent	−3.7	−5.5
Exports and imports:		
1960 ..... do	59,170,441	13,736,545
1961 ..... do	60,793,809	12,994,112
Change ..... do	+1,623,368	−742,433
Percent	+2.7	−5.4

Despite a decline in general cargo export tonnage in 1961, certain individual commodities went ahead. Those showing substantial increases were fresh or frozen meat, dried milk, hides and skins, vegetable products, fresh or frozen fruit, iron and steel scrap, electrical and office machinery, machine tools, railway locomotives, cars and parts, and medical and pharmaceutical preparations.

Particularly significant is the fact that despite the decline in exports, the New York district continued to account for 75.2 percent of outbound vehicle shipments, 78.1 percent of vehicle parts and accessories, 70.9 percent of machine tools, 78.3 percent of the electrical machinery, 69.9 percent of wool manufacturers, 81.3 percent of rubber tires and tubes, 68.6 percent of tobacco manufacturers, and 87 percent of railway locomotives, cars and parts. New York also maintained its national leadership among other major general cargo commodities by handling more than half of the country's exports of cotton and wool manufacturers, synthetic fibers and manufactures, textile products, glass and products, tools and hardware, engines, turbines and parts, textile, sewing, and shoe machinery, office and printing machinery, and medical and pharmaceutical preparations.

Imports of general cargo increased in a number of major commodities. These were fresh and frozen meat, building cement, sugar, fish and products, vegetables and products, liquors and wines, nonmetallic minerals, aluminum, lumber and shingles, and electrical machinery.

New York handled more than 70 percent of the national volume of such important commodity import groups as leather and manufactures, nuts and preparations, inedible vegetable oils and fats, table beverage materials, spices, and semifabricated zinc.

In addition, the port received more than half of the national volume of imported fresh or frozen meats, cheese, shellfish and

products, fresh or frozen fruit, prepared fruit products, tea, cocoa beans, edible molasses, liquors and wines, crude rubber, miscellaneous rubber manufactures, naval stores, cotton manufactures, vegetable fiber manufactures, synthetic fibers and manufactures, wool manufactures, miscellaneous textile products, miscellaneous wood manufactures, semifabricated copper and tin, electrical machinery, and construction and office machinery.

LAND-GRANT COLLEGES

Mr. HARTKE. Mr. President, Monday, July 2, will mark the 100th anniversary of the signing by President Lincoln of the Morrill Land Grant Act. The Morrill Act opened the doors of colleges and universities to all with the ability and will to learn, irrespective of heredity, occupation, and economic status. Since then, 68 colleges and universities, including Purdue University in Indiana, have been established as land-grant colleges. As a result, great numbers of American youngsters have been able to attend colleges and universities.

Until the Morrill Act, education was patterned on the traditional European system, emphasizing the classics and catering to elite groups. Before 1862, when President Lincoln signed the Land Grant Act, only 1 out of every 1,500 young men and women attended college. Today, the figure is one out of every three, mainly because land-grant colleges showed the way for institutions of learning to fulfill the varying educational needs of this Nation.

The Morrill Land Grant Act permitted endowment of colleges and universities by offering to every State 30,000 acres of Federal land for each of its Members in Congress. This land was sold to endow at least one college in each State and one in Puerto Rico.

In this centennial year, an effort is being made by the Association of State Universities and Land-Grant Colleges to see more clearly the problems of the present and to find solutions for them. Studies of work being done by land-grant colleges are being conducted. At the same time, pressing problems confronting higher education today are being presented to the public for their understanding and support in meeting higher education's future needs. One hundred and thirty-eight national organizations are cooperating in a program to further public understanding of land-grant institutions. These groups, representing agriculture, many branches of industry, labor, professional societies, and service groups, are to be commended on this 100th birthday of the Morrill Land Grant Act.

CAMP KILMER, N.J.

Mr. CASE of New Jersey. Mr. President, this afternoon I was advised that the Department of the Army has announced today that approximately 1,500 acres of land and improvements at Camp Kilmer, N.J., will be declared excess military land on July 1, 1963. It is a matter of great significance to the whole area in which the installation is located. A long time ago those of us in Congress, especially my colleague from New Jersey, Representative FRELINGHUYSEN, have been urging the Department of the Army to close the camp completely and to turn it over for private use. The installation actually has not been used for many years. It houses only a tiny service detachment. This 1,500 acres of land has numerous buildings which are not being used but were being held by the Government. It provides no tax revenue or business income to the community under that standby arrangement.

On April 9 of this year I again raised the question with the Department of the Army and asked reconsideraiton of the earlier determination that it had to hold the property. Receiving no reply, I again requested an answer on May 8, and again on June 15.

I am happy indeed that the announcement has finally come today. I wish it had been made much earlier in the interest of the area in which it is located and in the interest of the saving of the large amount of money which it has cost the Federal Government. Savings of $900,000 a year are anticipated by this announcement.

The announcement could have been made much earlier if the urging of us in Congress who realized that the land was no longer necessary and should not stand idle had been heeded. Nevertheless, late as it is, it is a matter of gratification that the decision has been made.

FREEDOM OF RELIGION

Mr. JOHNSTON. Mr. President, it is a sad day when the Members of Congress must rise, as I do today, to defend freedom of religion in these United States.

Surely when our Founding Fathers wrote the Declaration of Independence and referred to God therein and subsequently wrote the Constitution of the United States, clearly expressing freedom of religion, it was never anticipated that the right of men to worship would ever be questioned in this land.

Yet today we have a ruling by the Supreme Court which casts a dark shadow across our land. I fully realize, as a lawyer, that the Supreme Court has not in any way ruled that people cannot pray as they see fit in schools, or as individuals, or as a group. I want it clearly understood by every schoolchild in South Carolina and our Nation, and by every teacher and every principal, and every other school official in these United States that they still today enjoy the same religious freedom that they enjoyed the day before the Supreme Court rendered its decision of Monday, June 25, 1962.

The day any ruling by the Supreme Court is made that could, in any way, destroy this religious freedom, then the Constitution of the United States would not be worth the paper it is written on.

Mr. President, I do not like the Supreme Court's getting into cases of this nature, and I feel that the Supreme Court could have better handled this matter in the interest of constitutional government, freedom of religion, and in a way which would have avoided the confusion and bitterness that has resulted.

Millions of Americans at this very moment honestly believe that the Supreme Court has ruled to prohibit them from praying in public schools. I blame the Supreme Court particularly because of the way it handled the case, but I similarly and likewise blame the newspapers of this country for careless handling of the facts. There is a deep responsibility held by the press to meticulously report exactly what the Supreme Court rules, and not to attempt to sensationalize or condense or expand any ruling of the Court.

Some of the most distinguished lawyers of this country, at first blush based on the press reports of this ruling by the Supreme Court, interpreted that the Court had abolished the practice of praying in our public schools. This is not true. I do not defend the Supreme Court because I feel the Court is much to blame for all this confusion.

But it should be made clear that what the Court has ruled and said is that neither the Federal Government nor any of the State governments can enact a law demanding that school officials require a certain prayer to be used in the schools. The foundation for this ruling came from an amendment to the Constitution which stated that "Congress shall make no law respecting an establishment of religion."

Mr. President, the rest of this part of the first amendment to the Constitution is equally important to the first. It reads, "or prohibiting the free exercise thereof." Together, this portion of the first amendment to the Constitution reads:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof.

I pray to God that what the Supreme Court has attempted to do, although perhaps clumsily, has been to protect the free exercise of religion in our public schools, and I shall so interpret this ruling as such, and I urge that every citizen of our country—children, parents, schoolteachers, and others—do likewise. The most tragic thing that could happen in the United States today would be for any person, and particularly people of responsible, high positions in government, including U.S. Senators, Congressmen, Governors, and school officials, to interpret that the Supreme Court has done otherwise.

No person, from the President down to the smallest schoolchild, can read the minds of the members of the Supreme Court, but we can all read the Constitution and defend it; and our interpretation of what the Supreme Court has meant, and how we broadcast this interpretation, and how we conduct ourselves, will have as much bearing and effect upon the freedom of religion in this Nation as anything.

Let us hope that the members of the Supreme Court in this ruling sincerely were attempting to protect the time-honored constitutional provision establishing the unquestionable separation of church and state, and that this ruling has been an attempt to uphold and not prohibit the free practice of praying in our schools.

One of the Nation's outstanding and most distinguished conservative constitutional-minded writers is David Lawrence. No writer in this country has a sharper pen when it comes to cutting down the Supreme Court's rulings than David Lawrence. The number of times that I have inserted his criticisms of the Supreme Court into the CONGRESSIONAL RECORD is almost countless. In this connection I think Mr. Lawrence has written the most sobering, intelligent interpretation of what the Court has done that I have seen.

Mr. Lawrence says, in his nationwide column of June 27, 1962, among other things, that the Supreme Court has decided only the law of the case, and that it has not devised an instrument to ban praying—free praying—in our schools. It has banned official Government-regulated praying in schools.

Mr. President, even in view of the Supreme Court's ruling, as a lawyer and as a citizen I believe that every individual and every classroom in the State of New York today, if they desire to do so may use the prayer, "Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country," which the New York State Board of Regents drew up and recommended for use in public schools.

It is true that no longer may the State Board of Regents recommend this prayer for use in public schools; but the pupils, the principals, the teachers, and anyone else in any New York school today can, on their own initiative, as have millions of Americans done since this Nation was founded, use this or any other prayer they see fit to use, individually or collectively.

I have prayed to God that in His infinite wisdom He knows that the people of the United States do not sanction anything which would prevent or hinder or hamper them from praying. There is no power on this earth greater than the power of prayer, and it has only been through the power of prayer that we have obtained the strength to survive as a free Nation. It has been God Almighty alone who has given us this, the richest, the most powerful, and the freest nation ever to exist on the face of the earth.

No greater tragedy could beset our country than for any person to be deprived of the right to pray to his God and thank Him for these things that are ours. There is no lawsuit, no arm of the law, no Supreme Court Justice, no Member of Congress, and no President who has the right to take this right away from any citizen of this country, and it is our duty to interpret that what the Supreme Court has done is not an infringement upon this freedom of religion. In doing so we do not defend the Supreme Court; we defend freedom of religion.

I have sworn, as U.S. Senator, to defend the Constitution of the United States, which guarantees freedom of religion to our people.

I shall defend the Constitution and this freedom not just with oratory, but with defiant practice. I not only stand before you today to defend the right of people in our schools to pray as they wish and see fit, but to urge that a prayer-in-schools movement be started. I hope the reaction of the people to this confusion will be more prayers in our schools.

Let us show the entire world—the nonbelievers and the theorists and all the rest—that the people in the United States believe in prayer and in God Almighty, and that we intend to continue to pray as we see fit, individually and as groups, and that no one can stop us. We need no laws to permit us to pray in our schools, and there can be no laws to prevent us from praying in our schools.

Mr. President, in the interest of keeping the record straight and clarifying exactly what has transpired in the matter of prayer in our schools, I have joined Senator VANCE HARTKE of Indiana in Senate Resolution 356 expressing that it is the sense of the Senate that neither this Supreme Court ruling, nor any other ruling, can or shall violate the constitutional right of individuals to pray as they see fit in our schools or anywhere else in these United States.

Mr. President, I ask that the article by Mr. David Lawrence which appeared in the Washington Star of Wednesday, June 27, 1962, entitled "Voluntary Prayer in Public Schools," be printed in its entirety in the body of the RECORD following my remarks.

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

[From the Washington Evening Star, June 27, 1962]

VOLUNTARY PRAYER IN PUBLIC SCHOOLS—RULING VIEWED ONLY AS FORBIDDING STATE TO ORDER SAYING OF OFFICIAL PRAYERS

(By David Lawrence)

The Supreme Court in its latest decision does not bar prayer as such in the public schools. It doesn't forbid the mention of God in the classroom. It merely says that no State government or any other branch of government can "direct" the saying of any prayer. In fact, it bars "official" prayers. It sees no objection to voluntary prayers, but does ban any religious "exercise."

The decision rendered by the highest Court of the land on Monday is not as sweeping as first reports in the press may have indicated. It is true that Justice Douglas, in his "concurring" opinion, made some generalizations of his own that will evoke controversy—especially in Congress, where legislation on Federal aid to church-related colleges is pending. The controlling judgment is, however, the ruling of the Court by a vote of 6 to 1. It was set forth in the opinion written by Justice Black.

But even the formal opinion of the Court must be separated in two parts—the actual ruling and the so-called "dictum." The latter is just an expression of views by one Justice and is not necessarily agreed to by the other Justices who concur on the main point of the decision. Here is the ruling of the Court as pronounced by Justice Black:

"We think that the constitutional prohibition against laws respecting an establishment of religion must at least mean that in this country it is no part of the business of Government to compose official prayers for any group of the American people to recite as a part of a religious program carried on by Government."

Justice Black wrote a footnote to the opinion in which he makes an important distinction as follows:

"There is, of course, nothing in the decision, reached here that is inconsistent with the fact that schoolchildren and others are officially encouraged to express love for our country by reciting historical documents such as the Declaration of Independence which contain references to the Deity or by singing officially espoused anthems which include the composer's professions of faith in a Supreme Being, or with the fact that there are many manifestations in our public life of belief in God. Such patriotic or ceremonial occasions bear no true resemblance to the unquestioned religious exercise that the State of New York has sponsored in this instance."

Thus, there is no bar to the singing of such songs as "God Bless America" or the verse in "The Star-Spangled Banner" which says: "And this be our motto—'In God is our trust.'" Also, the Pledge of Allegiance to the flag is not affected, although in 1954 two words—"under God"—were added by an act of Congress. The phrase now reads, "One nation under God, indivisible, with liberty and justice for all."

All these vocal expressions involve apparently a voluntary action by the individual. They are not recited by official direction, nor do they contain anything which could be regarded as an "official prayer."

But what shall be done about Christmas celebrations or the reciting of any prayer in the classroom? No governmental body now can require such exercises. But if a class of pupils voluntarily sets up a program at Christmas and wants to sing any song, this is not barred by the new Court ruling. Some pupils could object and could refrain from participation. They could even leave for the period of such programs. What is really barred is any form of religious exercise prescribed by any branch of government or any individual on the public payroll.

The prayer which brought the present case to the Supreme Court of the United States for a ruling was very brief. It said:

"Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country."

There was a regulation under the New York State law prescribing the prayer which said that students should not be compelled to take part in the reciting and that students could be excused from being in the room at the time. But the Supreme Court has said, in effect, that all this makes no difference because the prayer was written by and "directed" by a governmental body. It was a religious "exercise" for those who remained.

Justice Douglas, in a dictum of his own, declares in a concurring opinion that he has grave doubts about the way the Supreme Court's own proceedings are opened by the marshal, who says: "God save the United States and this honorable Court." He also points out that each House of Congress opens its daily sessions by a prayer by official chaplains and guest chaplains of various denominations. Justice Douglas wrote:

"Yet for me the principle is the same, no matter how briefly the prayer is said, for in each of the instances given the person praying is a public official on the public payroll, performing a religious exercise in a governmental institution.

"At the same time I cannot say that to authorize this prayer (in the House or Senate or courtroom) is to establish a religion in the strictly historic meaning of those words. A religion is not established in the usual sense merely by letting those who choose to do so say the prayer that the public school teacher leads. Yet once government finances a religious exercise it inserts a divisive influence into our communities."

But the above "dictum," which expresses, for instance, fears about possible consequences, does not become the "law of the land." The Supreme Court decides only the "law of the case." And in this case the Court merely says that "official" prayers, which the teachers are "directed" to deliver in the classroom, are unconstitutional.

THE MORRILL ACT AND COLORADO STATE UNIVERSITY

Mr. CARROLL. Mr. President, the Nation soon will observe the centennial of the Morrill Act which made possible the establishment of our many fine land grant colleges and universities.

It was on July 2, 1862, that President Lincoln signed into law this progressive piece of legislation. In its way, it was destined to become as influential in shaping the educational and scientific future of the United States as the Homestead Act was in shaping the Nation's agricultural future.

Because this was such a forward-looking idea, Congressman Justin Smith Morrill of Vermont had difficulty getting it enacted into law. In 1859 he had seen his first bill pass both House and Senate, only to be vetoed by President Buchanan, who feared among other things that it would make the States too dependent on the Federal Government for their systems of education. Of course, the very opposite was true.

Morrill's idea, strongly supported by Congressman Jonathan B. Turner of Illinois, was to grant each participating State 30,000 acres for each one of its Members of Congress, with the land to be sold and the income used to endow and support at least one college in each State.

The basic theory was to provide practical education for the sons of farmers, tradesmen, and working people. Higher education in that area was generally restricted to the privileged few, and was classical and theoretical. But the Morrill Act was not entirely utilitarian; it provided specifically for the teaching of "other scientific and classical studies," as well as practical subjects.

At the time, just a century ago, only 1 percent of the college-age population attended college. Today, in many States more than 30 percent attend. By 1970 it is expected that 44 percent will be the national average. Today there are 68 land grant institutions; although they represent only 4 percent of all the colleges and universities in the Nation, They account for about 20 percent of all the undergraduates enrolled, and they grant about 40 percent of all the doctoral degrees awarded each year.

Colorado was not yet a State at the time of the passage of the Morrill Act, but in 1879, only 3 years after statehood was granted, Colorado's land grant agricultural college was opened to students. Now known as Colorado State University, at Fort Collins, it is almost as old as the University of Colorado, authorized in territorial times at Boulder.

We in Colorado are very, very proud of our educational institutions, and Colorado State University has ranked high in its field for as long as I can remember, but in recent years under the dynamic leadership of President William E. Morgan, it has attained general and international celebrity.

Only a month or so ago, Colorado State University was chosen by the Department of Health, Education, and Welfare as the site of a new radiological health laboratory which will be the largest thing of its kind in the free world. Under supervision of the U.S. Public Health Service, this unit will study the effects of low-level radiation on a controlled group of 2,000 experimental animals. Colorado State University won out in stiff competition with six other leading universities. Significantly, of the seven institutions submitting bids, six of them were members of the American Association of Land-Grant Colleges and State Universities.

Two years ago, the Congress provided a $10,000 appropriation to study the possibility of a corps of young people working to elevate the educational and physical standards of people in the emerging nations of the world. The contract went to the Colorado State University Research Foundation, which supplemented the very limited Federal funds with thousands of dollars from its own budget. The report that Colorado State University Research Foundation prepared proved to be the basic outline on which the Kennedy administration has based one of America's great recent triumphs—the U.S. Peace Corps. Last year, Colorado State University trained a detachment of Peace Corps men and women for work in West Pakistan.

Colorado State University in recent years has sent some of its leading talents abroad to many lands. On behalf of the foreign-aid program, Colorado State University people established the SEATO graduate school of engineering at Bangkok. Since 1958 Colorado State University talent has been engaged in setting up programs in engineering, agriculture, education, and home economics at Peshawar University in Pakistan. Colorado State University skill is planning water resource development on the vast Indus River system in Asia.

The Colorado State University now maintains extensive programs in its College of Science and Arts, College of Agriculture, College of Engineering, College of Forestry and Range Management, College of Home Economics, and College of Veterinary Medicine. Its skilled extension service is a source of immeasurable pride and progress for our people. Its handsome campus in the pleasant northern Colorado city of Fort Collins is growing at an explosive rate. All this has taken the work of many, many dedicated people over the years, but it is proper that at this time we salute the men who sponsored and passed the Morrill Act, which made it all possible.

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

REVISION OF BOUNDARIES OF VIRGIN ISLANDS NATIONAL PARK

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

Without objection, the Senate resumed the consideration of the bill (S. 2429) to revise the boundaries of the Virgin Islands National Park, St. John, V.I., and for other purposes, which had been reported by the Committee on Interior and Insular Affairs with amendments on page 3, line 13, after the word "Bay", to strike out "(making" and insert "marking"; on page 6, line 13, after the word "by", to strike out "such other means as he may consider to be in the public interest" and insert "condemnation or exchange"; after line 14, to insert a new section, as follows:

SEC. 3. Nothing in this Act shall be construed as authorizing any limitation on customary uses of or access to the areas specified in section 1 by residents of the Virgin Islands for bathing and fishing (including setting out of fishpots and landing boats), subject to such regulations as the Secretary of the Interior may find reasonable and necessary for protection of natural conditions and prevention of damage to marine life and formations.

And, at the beginning of line 23, to change the section number from "3" to "4"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purposes of the Act of August 2, 1956 (70 Stat. 940), as amended, providing for the establishment of the Virgin Islands National Park, and in order to preserve for the benefit of the public significant coral gardens, marine life, and seascapes in the vicinity thereof, the boundaries of such park, subject to valid existing rights, are hereby revised to include the adjoining lands, submerged lands, and waters described as follows:

NORTH OFFSHORE AREA

Beginning at the hereinafter lettered point A on the shore of Cruz Bay, a corner in the Virgin Islands National Park boundary, being also a corner of lot F, Cruz Bay, added to the park by order of designation signed June 29, 1960, by the Assistant Secretary of the Interior pursuant to the Act of August 2, 1956 (70 Stat. 940), and published in the Federal Register of July 7, 1960, the said corner being the terminus of the course recited therein as "north 58 degrees 50 minutes west a distance of 20.0 feet, more or less along Government land to a point;" for the third call in the metes and bounds description lot F, Cruz Bay.

From the initial point A, distances in nautical miles, along direct courses between the hereinafter lettered points at geographic positions (latitudes north, longitudes west):

Northwestward, approximately 0.13 mile to point B, latitude 18 degrees 20 minutes 08 seconds, longitude 64 degrees 47 minutes 43 seconds in Cruz Bay;

0.43 mile to point C, latitude 18 degrees 20 minutes 08 seconds, longitude 64 degrees 48 minutes 10 seconds in Pillsbury Sound;

1.36 miles to point D, latitude 18 degrees 21 minutes 30 seconds, longitude 64 degrees 48 minutes 10 seconds in Windward Passage;

1.64 miles to point E, latitude 18 degrees 22 minutes 10 seconds, longitude 64 degrees 46 minutes 35 seconds in the Atlantic Ocean;

1.99 miles to point F, latitude 18 degrees 22 minutes 45 seconds, longitude 64 degrees 44 minutes 35 seconds in the Narrows;

3.18 miles to point G, latitude 18 degrees 22 minutes 00 seconds, longitude 64 degrees 41 minutes 20 seconds in Sir Francis Drake Channel;

1.04 miles to point H, latitude 18 degrees 21 minutes 10 seconds, longitude 64 degrees 40 minutes 40 seconds in Haulover Bay;

Southwestward approximately 0.22 mile to point I, a bound post on the shore of Haulover Bay marking a corner of the Virgin Islands National Park boundary as shown on drawing numbered NP–VI–7000 entitled "Acquisition Area Virgin Islands National Park", approved November 15, 1956, by the Acting Secretary of the Interior in accordance with the provisions of the Act of August 2, 1956, supra, being also the southeasterly corner of estate Haulover 5a and 5c east end quarter as delineated on the municipality of Saint Thomas and Saint John drawing PW file numbered 9–24–T51 dated October 26, 1950;

Thence running generally westward along the Virgin Islands National Park northerly boundary as it follows the northerly shore of the island of Saint John as shown on the said drawing numbered NP–VI–7000 and on drawing numbered NP–VI–7003 entitled "Land Ownership Cruz Bay Creek" depicting the boundary adjustment affected by the said order of designation to point A, the point of beginning.

The area described contains approximately 4,100 acres.

SOUTH OFFSHORE AREA

Beginning at the hereinafter lettered point L, a concrete bound post on the shore of Drunk Bay marking a northeasterly corner in the Virgin Islands National Park boundary as shown on the said drawing numbered NP–VI–7000, being also the northeasterly corner of parcel numbered 1, estate Concordia (A), as delineated on the Leo R. Sibilly, civil engineer, drawing file numbered C9–13–T55.

From the initial point L, distances in nautical miles, along direct courses between the hereinafter lettered points at geographic positions (latitudes north, longitudes west):

Eastward approximately 0.32 mile to point M, latitude 18 degrees 18 minutes 48 seconds, longitude 64 degrees 41 minutes 50 seconds in Sabbat Channel;

0.88 mile to point N, latitude 18 degrees 17 minutes 55 seconds, longitude 64 degrees 41 minutes 50 seconds in the Caribbean Sea;

0.40 mile to point O, latitude 18 degrees 17 minutes 55 seconds, longitude 64 degrees 42 minutes 15 seconds in the Caribbean Sea;

1.88 miles to point P, latitude 18 degrees 18 minutes 48 seconds, longitude 64 degrees 44 minutes 00 seconds in the Caribbean Sea;

1.74 miles to point Q, latitude 18 degrees 18 minutes 48 seconds, longitude 64 degrees 45 minutes 50 seconds in the Caribbean Sea;

0.45 mile to point R, latitude 18 degrees 19 minutes 15 seconds, longitude 64 degrees 45 minutes 50 seconds in Fish Bay;

Eastward approximately 0.08 mile to point S on the shore of Fish Bay, a corner in the present Virgin Islands National Park, as delineated on said drawing numbered NP–VI–7000, being the northwesterly corner of parcel numbered 2 estate Fish Bay, numbered 8 Reef Bay Quarter, and the terminus of the delineated course "south 78 degrees 52 minutes west distance 1,178.9 feet" as depicted on the Leo R. Sibilly, civil engineer, drawing file numbered G9–385–T56.

Thence running generally eastward along the present southerly park boundary as it follows the southerly shore of the island of Saint John as depicted on the said drawing numbered NP–VI–7000 to point L, the point of beginning.

The area described contains approximately 1,550 acres.

Lands, submerged lands, and waters added to the Virgin Islands National Park pursuant to this Act shall be subject to administration by the Secretary of the Interior in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–4), as amended and supplemented.

SEC. 2. Within the boundaries of Virgin Islands National Park as established and adjusted pursuant to the Act of August 2, 1956 (70 Stat. 940), and as revised by this Act, the Secretary of the Interior is authorized to acquire lands, waters, and interest therein by purchase, donation, with donated funds, or by condemnation of exchange.

SEC. 3. Nothing in this Act shall be construed as authorizing any limitation on customary uses of or access to the areas specified in section 1 by residents of the Virgin Islands for bathing and fishing (including setting out of fishpots and landing boats), subject to such regulations as the Secretary of the Interior may find reasonable and necessary for protection of natural conditions and prevention of damage to marine life and formations.

SEC. 4. There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

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

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the bill before the Senate, S. 2429, would revise the boundaries of the Virgin Islands National Park to include adjoining submerged lands and waters in a "north offshore area" of 4,100 acres and a "south offshore area" of 1,550 acres. These additional areas will result in a total authorized area of 15,150 acres. The bill would also authorize the Secretary of the Interior to acquire by purchase, donation, condemnation, or exchange other lands, waters, and interests lying within the revised park boundaries.

The boundary extension proposed in S. 2429 is needed to protect the outstanding marine resources of the offshore area. The Advisory Board on National Parks, Historic Sites, Buildings, and Monuments recommended on September 22, 1960:

That the boundaries of the Virgin Islands National Park be extended generally one-half mile into the sea along the present authorized boundaries of the park in order to preserve the significant marine resources found there.

It is estimated by the Department of the Interior that the value of the private land to be acquired by the Federal Government is $2,500,000. The cost to the Federal Government for acquisition is estimated, however, to be not more than one-half this amount because of the existence of donated funds for acquisition purposes. Title to the north and south offshore areas is presently in the United States and the inclusion of these areas in the park will result in negligible cost to the Federal Government.

The Virgin Islands—consisting of three principal islands, St. Thomas, St. Croix, and St. John, and a number of smaller islands, rocks, and cays—are located in the Caribbean about 1,400 miles southeast of New York and 900 miles southeast of Miami. These islands were purchased from Denmark in 1917 and became an unincorporated territory of the United States. The total population of the Virgin Islands as reported by the 1960 census was 32,099, of which 927 were living on St. John.

St. John Island is a mountainous area, 9 miles long and approximately 5 miles wide at its widest point, with a total area of about 20 square miles. The highest peak is 1,277 feet above sea level. About 85 percent or more of the island is covered by bush and tropical forest. There is little arable land, the largest area being of coral at the eastern end of the island. This area was not included in the original boundaries of the park and will not be included in the revised boundaries. The climate is subtropical, the lowest temperature ever reported being 69° and the highest 91°.

The scenic qualities and plantlife of the island of St. John in the protected channels of the Virgin Islands are totally different from anything set apart in the United States or its possessions for national park purposes. The proposed boundary revisions would incorporate in this unique area the magnificent marine values of the offshore area.

The bill was amended in accordance with the recommendation of the Department of the Interior to protect customary uses of or access to the offshore areas by residents of the Virgin Islands for bathing and fishing subject to appropriate regulations by the Secertary of the Interior.

The second major amendment specified the manner in which the Secretary of the Interior was to acquire lands, waters, and interests within the revised boundaries. In addition to acquiring by purchase and donation, the Secretary was authorized to acquire additional lands, waters, and interests by "condemnation or exchange." All other amendments to the bill are for the purpose of clarification.

Mr. President, the bill was reported unanimously by the Committee on Interior and Insular Affairs, after being amended in accordance with the suggestions of the Department of the Interior. The bill has the support of the administration. The reports of the Department of the Interior and of the Bureau of the Budget are incorporated in the report of the committee.

The VICE PRESIDENT. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

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

The bill (S. 2429) was ordered to be engrossed for a third reading, was read the third time, and passed.

IMPROVEMENT OF NATIONAL TRANSPORTATION SYSTEM

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1548, S. 2560.

The VICE PRESIDENT. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2560) to amend the Interstate Commerce Act as amended, so as to strengthen and improve the national transportation system, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Minnesota.

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

That section 202(b) of the Interstate Commerce Act, as amended, is amended by striking the period at the end thereof and inserting in lieu thereof a semicolon and the following: "but if any State requires any motor carrier subject to regulation by the Interstate Commerce Commission (other than regulation solely pursuant to the provisions of section 204 relative to qualifications and maximum hours of service of employees and safety of operation or standards of equipment) operating in interstate or foreign commerce within the borders of that State—

"(1) to register its certificate of public convenience and necessity or permit issued by the Interstate Commerce Commission;

"(2) to identify its vehicles;

"(3) to file policies of insurance, surety bonds, or qualifications as a self-insurer, or other securities or agreements for the protection of the public, or evidence thereof,

such State shall within five years after the enactment of this amendment to section 202(b) conform such requirements to the uniform standards which the Commission is hereby directed to promulgate, and such standards may differ for each of the classes of carriers as differences in their operations may warrant. In establishing such uniform standards the Commission shall give due regard to the needs of the several States for information relating to the authority and operations of such motor carriers engaged in interstate and foreign commerce while protecting such carriers from a duty to file or otherwise comply with State requirements that, in the opinion of the Commission, might constitute an undue burden, financial, administrative, or otherwise, on the operations of such carriers. The Commission shall consult with the regulatory bodies of the several States and with representatives of such motor carriers subject to regulation under this part. In order to facilitate and effectuate the purposes of this paragraph the Commission shall review from time to time the uniform standards established pursuant to this paragraph and may make such modifications, changes, or amendments thereto as the Commission may deem necessary. Any such State requirements which, after the expiration of five years following enactment of this amendment to section 202(b) are not in conformity with the standards established by the Commission pursuant to this paragraph, shall be null and void."

SEC. 2. Section 222(b) of the Interstate Commerce Act, as amended, is amended to read as follows:

"(b)(1) If any motor carrier or broker operates in violation of any provision of this part (except as to the reasonableness of rates, fares, or charges and the discriminatory character thereof), or any lawful rule, regulation, requirement, or order promulgated by the Commission, or of any term or condition of any certificate or permit, the Commission or its duly authorized agent may apply for the enforcement thereof to the district court of the United States for any district where such motor carrier or broker operates. In any proceeding instituted under the provisions of this subsection any person, or persons, acting in concert or participation with such carrier or broker in the commission of such violation may, without regard to his or their residence, be included, in addition to the motor carrier or broker, as a party, or parties, to the proceeding. The court shall have jurisdiction to enforce obedience to any such provision of this part, or of such rule, regulation, requirement, order, term, or condition by a writ of injunction or by other process, mandatory or otherwise, restraining such carrier or broker, his or its officers, agents, employees, and representatives and such other person, or persons, acting in concert or participation with such carrier or broker, from further violation of such provision of this part, or of such rule, regulation, requirement, order, term, or condition and enjoining upon it or them obedience thereto. Process in such proceedings may be served upon such motor carrier, or broker, or upon such person, or persons, acting in concert or participation therewith in the commission of such violation, without regard to the territorial limits of the district or of the State in which the proceeding is instituted."

"(2) If any person (not including a motor carrier holding a certificate, permit, or grant of temporary authority issued by the Commission under the provisions of section 206, 207, 208, 209, or 210a of this part) operates in clear and patent violation of any provisions of section 203(c), 206, 209, or 211 of this part, or any rule, regulation, requirement, or order thereunder, any person injured thereby may apply to the district court of the United States for any district where such person so violating operates, for the enforcement of such section, or of such rule, regulation, requirement, or order. The court shall have jurisdiction to enforce obedience thereto by a writ of injunction or by other process, mandatory or otherwise, restraining such person, his or its officers, agents, employees, and representatives from further violation of such section or of such rule, regulation, requirement, or order; and enjoining upon it or them obedience thereto. A copy of any application for relief filed pursuant to this paragraph shall be served upon the Commission and a certificate of such service shall appear in such application. The Commission may appear as of right in any such action. The party who or which prevails in any such action may, in the discretion of the court, recover reasonable attorney's fees to be fixed by the court, in addition to any costs allowable under the Federal Rules of Civil Procedure, and the plaintiff instituting such action shall be required to give security, in such sum as the court deems proper, to protect the interests of the party or parties against whom any temporary restraining order, temporary injunctive, or other process is issued should it later be proven unwarranted by the facts and circumstances.

SEC. 3. Section 222(h) of the Interstate Commerce Act, as amended, is amended to read as follows:

"(h) Any motor carrier, broker, or lessor, or other person, or any officer, agent, employee, or representative thereof, who shall fail or refuse to keep, preserve, or forward any account, record, or memorandum in the substance, form, or manner prescribed in this part or in any rule, order, or regulation prescribed under this part; or who shall fail or refuse to comply with any requirement of this part with respect to the filing with the Commission or with any agency, office, or representative of the Commission, as prescribed by the Commission, any annual, periodical, or special report, or other report, tariff, schedule, contract, document, or data or with any rule, order, or regulation prescribed with respect to such filing; or who shall fail or refuse to make full, true, or correct answer to any question required by the Commission to be made under the provisions of this part; or who shall fail or refuse to comply with the provisions of section 203(c), section 206(a)(1) or section 209(a)(1); or who shall fail or refuse to comply with any rule, regulation, requirements, or order promulgated by the Commission pursuant to the provisions of section 204(a)(1), 204 (a)(2), 204(a)(3), or 204(a)(3a), shall forfeit to the United States not to exceed the sum of $200 for each such offense, and, in case of a continuing violation not to exceed $100 for each additional day during which such failure or refusal shall continue after notice. All forfeitures provided for in this paragraph shall be payable into the Treasury of the United States and shall be recoverable in a civil suit by the Commission or its duly authorized agent, brought in the district where the motor carrier or broker has its principal office, or in any district in which such motor carrier or broker was, at the time of the offense, authorized by the Commission, or by this part, to engage in operation as such motor carrier or broker, or in the district where such forfeiture may accrue; or in any district where the offender is found. All process in any such case may be served in the judicial district whereof such offender is an inhabitant or wherever he may be found."

SEC. 4. (a) Section 402 of the Interstate Commerce Act, as amended, is amended by deleting from subsection (b) thereof the words "or used household goods".

(b) Section 406 of the Interstate Commerce Act, as amended, is amended by inserting at the end thereof a new subsection (g) as follows:

"(g) In the exercise of its power to prescribe just and reasonable regulations and practices of freight forwarders of used household goods, the Commission shall give due consideration to the similarities of service provided by motor carriers of household goods (in transportating used household goods) and such freight forwarders, and establish uniform regulations and practices insofar as practicable."

(c) Section 410 of the Interstate Commerce Act, as amended, is amended by adding at the end of subsection (a) thereof a new subparagraph as follows:

"SEC. 410(a)(4). Any person may apply for a permit to operate as a freight forwarder (as that term is defined in section 402(a)(5)) of used household goods in interstate and foreign commerce between points in the United States or between any points in the United States and any point outside of the United States and shall be granted such a permit if the Commission finds that he is fit, willing, and able properly to perform the service proposed. Permits granted under this subparagraph shall be for one year and shall be renewable annually. Application for a permit and the annual renewal thereof shall be accompanied by a fee of $50. Application for permits under this paragraph shall be made to the Commission as provided in paragraph (b) of this section."

(d) Section 410(c) of the Interstate Commerce Act, as amended, is amended by inserting the following new words immediately preceding the first word of the paragraph: "Except as provided under subparagraph 410(a)(4) of this section," and by inserting a comma and the following new words immediately following the word "Act" where it first appears in the second sentence thereof: "except that a motor common carrier of household goods subject to part II of the Act may be issued a permit as a freight forwarder of used household goods upon qualifying therefor in accordance with paragraph (a)(4) of this section."

(e) Section 410(e) of the Interstate Commerce Act, as amended, is amended by in-

serting a comma and the following new words immediately after the first "and" in the first sentence thereof: "except for freight forwarders of used household goods issued permits under paragraph (a)(4) of this section,".

(f) Section 411(c) is amended by striking the period at the end thereof and adding "nor shall it forbid a motor common carrier of household goods subject to part II of the Act, or a director, officer, employee, or agent of such carrier, from controlling or acquiring control of, or holding stock in, a freight forwarder of used household goods which is subject to section 410(a)(4)."

(g) Section 417(b) of the Interstate Commerce Act, as amended, is amended to read as follows:

"(b)(1) If any freight forwarder fails to comply with or operates in violation of any provision of this part, or of any rule, regulation, requirement, or order promulgated by the Commission, or of any term or condition of any permit, the Commission or its duly authorized agent may apply to any district court of the United States having jurisdiction of the parties for the enforcement of such provision of this part or of such rule, regulation, requirement, order, term, or condition. In any proceeding instituted under the provisions of this subsection any person, or persons, acting in concert or participation with such freight forwarder in the commission of such violation may, without regard to his or their residence, be included, in addition to the freight forwarder, as a party, or parties, to the proceeding. The court shall have jurisdiction to enforce obedience thereto by a writ or writs of injunction or other process, mandatory or otherwise, restraining such freight forwarder and any officer, agent, employee, or representative thereof from further violation of such provision of this part or of such rule, regulation, requirement, order, term, or condition, and enjoining obedience thereto. Process in such proceedings may be served upon such freight forwarder, or upon such person, or persons, acting in concert or participation therewith in the commission of such violation, without regard to the territorial limits of the district or of the State in which the proceeding is instituted. Any application for relief shall be accompanied by security in such sum as the court deems proper to protect the interests of the party or parties against whom any injunction or other process is issued should it later be proven unwarranted by the facts and circumstances."

"(2) If any person (not including a freight forwarder holding a permit issued by the Commission under the provisions of section 410 of this part) operates in clear and patent violation of any provisions of section 410 of this part, or any rule, regulation, requirement, or order thereunder, any person injured thereby may apply to the district court of the United States for any district where such person so violating operates, for the enforcement of the provisions of such section, or of such rule, regulation, requirement, or order. The court shall have jurisdiction to enforce obedience thereto by a writ of injunction or by other process, mandatory or otherwise, restraining such person, his or its officers, agents, employees, and representatives from further violation of such section, or of such rule, regulation, requirement, or order; and enjoining upon it or them obedience thereto. A copy of any application for relief filed pursuant to this paragraph shall be served upon the Commission and a certificate of such service shall appear in such application. The Commission may appear as of right in any such action. The party who or which prevails in any such action may, in the discretion of the court, recover reasonable attorney's fees to be fixed by the court, in addition to any costs allowable under the Federal Rules of Civil Procedure, and the plaintiff instituting such action shall be required to give security, in such sum as the court deems proper, to protect the interests of the party or parties against whom any temporary restraining order, temporary injunctive, or other process is issued should it later be proven unwarranted by the facts and circumstances."

SEC. 5. Section 205(f) of the Interstate Commerce Act is amended by inserting after the second sentence therein a new sentence reading as follows: "In addition, the Commission is authorized, notwithstanding section 222(d), to make cooperative agreements with the various States to enforce the economic and safety laws and regulations of the various States and the United States concerning highway transportation."

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

The VICE PRESIDENT. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EDUCATION IS POWER

Mr. HUMPHREY. Mr. President, in the past few weeks, almost 2 million young people have been graduated from secondary schools of the United States. More than 40,000 of these students come from the State of Minnesota. Many of these young people will continue their formal education at various institutions of higher learning throughout the country. All of them will have opportunities to learn and grow in their particular fields of endeavor and in their personal lives.

This is a particularly fitting time to offer a few general remarks on behalf of my distinguished colleague, Senator EUGENE J. MCCARTHY, and myself, about the value of education in today's world.

As former college teachers, we deeply appreciate both the interest in and opportunity for advanced learning in our country. Our interest in the education of our young people continues, because we firmly believe that the strength and hope of this country rests with them.

We are living in an age of paradox. On the one hand, it is a time of great danger. The United States, and all the free world is threatened by an alien, totalitarian system—communism—embodied in the governments of the Soviet Union and her satellites. We must meet that threat on several fronts—political, military, economic, and spiritual.

At the same time, we live under the constant threat of nuclear holocaust, in which mankind could be destroyed in a few moments.

On the other hand, we are living in an age of unlimited opportunity. For the first time in history, it is within the power of man to eradicate disease, hunger, and poverty. The theoretical and practical advances in science have been phenomenal, and the new horizons and challenges which have arisen in the past decade are astounding. Our world is rapidly changing. Only 10 years ago, we watched science-fiction programs on television, and the era of the spaceman was only a dream. Today we watch spacemen on television and know that these courageous men have actually traveled through outer space.

The young people who have recently been graduated will bear great responsibility for these changes and for the future of the United States. They are the future doctors, scientists, businessmen, skilled workers, farmers, teachers, artists, technicians, and civic leaders of our Nation. All will be the builders of America. On their shoulders will rest the burden of guiding our Nation safely into the early decades of the 21st century. It is our earnest hope and conviction that they will bear this burden willingly and capably. It is our duty to provide them with the educational opportunity to prepare them for these awesome responsibilities.

The value of education lies not only in the necessity for a strong nation to have trained and available manpower, but also in an informed, enlightened and aware electorate that is the foundation for the successful operation of a democracy. In our system education is primarily a duty of local and State governments, but the American people can and do help to provide better education for their children through private and Federal programs. Federal aid to education is nothing new. It dates from 1785, before our Constitution went into effect. To give a few examples of what has been done since that time by the Federal Government: The Morrill Act of 1862 provided grants of land for the establishment of colleges of agriculture and mechanical arts. The very fine University of Minnesota was established under this program. The 1917 Smith-Hughes Act provided Federal grants-in-aid for vocational education in the public schools. Public Law 874, the so-called impacted areas school-aid legislation, of which I was the original sponsor, provides Federal payments to local schools burdened by increased enrollments from Federal activity in the area. Finally, the well-known National Defense Education Act—the NDEA—provides Federal grants and loans for the purpose of increasing the teaching of science, mathematics, and foreign languages in schools at all levels. Thus the people of the United States have long recognized that support for our educational system could be provided through the Federal Government, as well as through State and local governments.

The American educational system is a good one, and the opportunities it presents are greater than those anywhere else in the world. Yet there is always room for improvement. Several programs recently before the Congress would help insure the widest and best education for our young people. The use of Federal funds for aid to secondary schools for school construction and for teachers' salaries would help provide better facilities and instruction across the United States. A college aid program for construction and scholarships for needy and qualified students would broaden available opportunities. Both

of these bills have been passed in the Senate by the present Congress, and although the House has rejected aid to secondary schools for the present time, hopefully a college aid bill will be enacted into law before the end of the year. Measures for nursing education, aid to medical schools, a Youth Conservation Corps, and other measures designed to provide adequate educational opportunity for our young people would also help meet the pressing needs of our country for trained manpower.

Mr. President, as we move into the troubled times that lie ahead, Senator McCarthy and I want to express the hope that more and more of our present and future graduates go on for advanced training in their chosen fields. A great opportunity for good education exists in the United States today; we hope that they grasp it and utilize it to the greatest possible extent.

SMALL POWER SOURCES

Mr. HUMPHREY. Mr. President, I invite the attention of the Senators to a report prepared by John Hoke for the Communications Resources Division of the Agency for International Development. Through the work that Mr. Hoke has done for the Agency, he has become one of the country's leading experts on small and exotic power sources for remote areas of the world. In August of this year, Mr. Hoke will make a trip into the very remote jungle areas of Surinam. His means of transportation will be a boat powered entirely by a solar panel covering the top of the boat. At the completion of his trip, he will establish for demonstration purposes a communication listening post also powered by solar cells in villages which have heretofore had no radio communication.

It is clear that the benefits of power in relatively small amounts can be brought to most underdeveloped areas of the world if research can find the appropriate new methods of electrical generation which are cheap, reliable, and maintenance free.

The Communications Resources Division of AID and the Research Planning Staff of AID are exploring imaginative approaches to the need for small power units and are to be commended for their work in this area. Mr. President, I ask unanimous consent to have this report printed at this point in my remarks.

There being no objection, the report was ordered to be printed in the Record, as follows:

A Report on Small Power Sources

(By John Hoke)

There is a growing host of excellent new tools of communications that are nominal in their demands upon electric power, as a direct result of our technology that has produced such products as the transistor. In order to capitalize on this, we are now actively exploring new ways to obtain power in remote places.

These new tools, though nominal in their demands on electrical power, depend on a reliable source of power—be it stored or generated power. In order to be able to count on using these new tools, the AID is exploring ways and means of generating small amounts of power under a variety of environmental circumstances, and from a variety of energy sources. It is our ultimate objective to find a family of solutions—each of which will provide enough electric power, under individual conditions, to insure the convenient application of these communications tools to AID's programs in the field.

WIND, WATER, MUSCLE, MOTOR

These are but several of the tapable power sources that are real potential—along with such rapidly evolving exotic power sources as static generators (photo-voltaic, thermo-electric, and fuel cells). The rapidly evolving state of the art of foolproof rechargeable batteries goes hand in hand with these promising sources of electric power.

Wind generation of power is hardly a new area for consideration, but its application in areas where prevailing air movement, along with conditions that discourage importation of fuels, etc., make it a prime source of power. One such wind generator, available today (Wincharger Co.), provides 200 watts, at 12 volts; an abundance of power for powering the communications tools we are employing.

Water generation offers real promise, where small generators can be effectively harnessed to simple, low-cost paddle wheels, etc., or at the outflow of already existing irrigation situations (not already power driven).

The generation of small amounts of power by muscle may well prove to be an area with the greatest promise. In many remote areas, people are, and have for centuries, been pumping water, grinding grain, and operating crude machinery by human or animal power. Employing this same force to turn a small generator or hooking small generators to the machinery they are already working to pump water, etc., poses no major educational or social problems. (Even the random power of a squirrel running in an exercise cage race is able to generate enough power to operate a large community radio receiver, at a volume that can be appreciated by a village of hundreds of people.)

Associated with this are the many mechanical ways of joining little amounts of periodic exertion with a steady provision (through batteries) of electricity to run just such a radio described above. A slowly descending 25-pound weight, suitably engaged with a gear train and generator, can provide hours of radio reception, or store power for later use.

This same approach can be employed to capture the free wasted energy of people just walking past some heavily traveled place in a remote village; by the simple device of a slightly teetering treadle board that is mechanically contrived to continuously jack up a weight that is powering a gear and generator assembly.

Motor generation is currently a well-hardwared area of power generation in the field. Most modern generators, however, generate power way in excess of our particular interests, and at higher voltages (and at alternating current) than we need. This results in a logistics problem involving maintenance and excessive fuel and transportation needs. Low-cost, small, direct current (12-volt) generators would lessen these logistic considerations. In those cases where large village-wide power considerations are concerned, we would like to look backward in time, where we see great promise in the old "peanut oil" burning generators that provided power and light for American farms that were the first pioneers in rural electrification. These old generators were simple to maintain, could be idled frequently (because of the storage of direct-current power) and operated economically on low-cost, low-grade fossil fuel. Another possibility would be small steam engines, which could run on just about anything locally found, that will burn. In many countries in which AID has programs, this is the developmental stage they have reached, and this is the kind of step into the electrified world they can most easily take.

Exotic power supplies are commonly believed to be too expensive for their small power-generating ability. We are not so sure this is really the case. Even at a cost of many hundreds of dollars for a generation source of 100 watts, consideration must be given to the fact that this is a lot of power for our needs. The power source may be virtually free (in the case of solar conversion or biochemical fuel cells) or operate on local on-the-ground fuel, with maintenance costs that are almost negligible (in the case of static power supplies) and such generation obviates the enormous costs, logistics, and transportation usually associated with trying to provide conventional electrical power in very remote areas. After you have subtracted these conventional logistic support costs, is the dollars-per-watt figure really quite so frightening? On top of this is the rational expectation that these costs will go steadily downward as the states of the art of these exotic power supplies evolve into states of mass production, and so forth.

In order to take some of our own steps into solving these power needs, we have experimented with a number of potentially promising means of generating electric power.

Using a 1-watt panel of silicon solar cells, we have been able to operate directly, or charge the batteries off, a host of off-the-shelf commercially available communications tools. These include a community listening center radio and public address system made by Hoffman, for which the solar panel was designed, and several small battery operated phonographs, and a battery operated flashlight slide projector. Results have been so promising, that we are preparing a larger battery recharging center that will be powered by a 100-watt panel of silicon solar cells, and will be so adapted as to permit a power input from any of a number of sources of electric power. A remote (jungle interior) field trial of this assembly is scheduled for later this year.

Mechanical generation of electricity sufficient to operate radio receivers has proved quite effective. By the simple device of attaching a small d.c. motor to a rotisserie gear assembly, we have operated a large radio receiver by the slow fall of a 4-pound lead weight that spins the motor to generate power. A small rachet-driven hand-operated flashlight (surplus from World War II) has been nominally modified to generate enough power to operate many of those items we have powered from the 1-watt solar panel described earlier.

We are now constructing a small, 1-watt thermoelectric generator that will be heated by sunlight collected by a Freznel lens. The unit's orientation to the sun will be accomplished by a small milliwatt d.c. motor that is directed by a small assembly of solar cells (and from which it derives its power). Inexpensive clock gearing mechanically moves the whole assembly. This generator will provide the same power requirements as does the earlier mentioned 1-watt solar panel, but offers the advantage of enlargement to provide additional power, at a lower cost.

We are developing a small windup phonograph, that operates from a conventional spring motor which operates both the turntable and generates the power needed for its transistorized amplifier.

We expect soon to field test several varieties of thermoelectric generators that operate on the heat of kerosene lanterns (coal oil) and a candle. These are generators that are in prototype stages, but are very near the manufacturing level of development. For radio reception in remote areas, they offer great promise.

We have not yet firmly fixed, into arbitrary modular units, our power requirements, but the range extends from the milliwatt

level (for operation of small radio receivers) up to in excess of 100 watts—a power range that allows remote operation of several large screen transistorized television receivers. Other interested parties' power requirements, generally speaking, exceed these amounts, so relatively lesser attention has been given to this low power area. We are, however, becoming increasingly aware of a myriad of potential small power sources because we are devoting most of our attention to this narrow range of power requirements.

While we have solved some of these power needs ourselves, we can only hope to scratch the surface working solely on our own. It is our belief that others who are exploring new power sources often quickly pass over very promising forms of power generation because of its relatively low power output. Because our power needs are down in this area, we would like to find access to those power sources that may have been set aside by those who are looking for greater sources of power. These rejected sources are the ones most likely to enable us to reach further into remote areas, where effective communication is a major factor in the development of nations.

We would also hope to find that there are others who are actively exploring this very small power range—from a watt to 100 watts—for in solving their own very small power needs, they will be largely providing the answer to our power needs as well.

We feel that the objectives before us are quite important and a major step toward implementing this agency's progress toward carrying them out will have been taken when we are able to come up with some solutions to our power needs at the level we are dealing with.

CONSENSUS AMONG ECONOMISTS IN FAVOR OF TAX CUT

Mr. HUMPHREY. Mr. President, I am very pleased to be able to call to my colleagues' attention an article in the June 28 issue of the Wall Street Journal reporting agreement among a large majority of economic experts on the need for tax reductions in order to give our economy the spur it needs in order that we may realize full potential growth.

What is especially remarkable, as this article notes, is that the need for a tax cut is shared by economists of the varied schools of economic thought. While some may argue that we need a cut for lower income groups and others may argue that the real need is for corporate tax relief and for those in the upper income brackets, most all the experts agree that the present tax burden is throttling economic growth.

As I have stated here in the Senate and elsewhere, in my judgment there is a need for tax cuts—both in personal and corporate tax rates—and the time for the Congress to take action on such tax reductions is this year, not 1963.

Let me make it clear, Mr. President, that in arguing for immediate tax cuts I do not maintain that we do not have a healthy economy. The facts clearly show that we do. The gross national product is up. Personal income is up. Sales are up. Profits are up. Total wages are up. Employment is up and the jobless rate has declined. Private investment is up. Industrial production is up. New construction is up. And during this period of economic growth we have witnessed a remarkable degree of price stability with consumer prices in the past 12 months rising only slightly over 1 percent and wholesale prices actually down from the 1960 and 1961 averages. Nevertheless, the rate of economic growth has not lived up to hopes and expectations. With all the reassuring factors it must be recognized that unemployment is still too high; investment in capital goods too low; the stock market uncertain and going down; and industrial modernization too slow.

However, there is no reason for anyone taking a Cassandra attitude on the economy, and to do so is, in my opinion, to work a serious disservice to our country.

The need for tax reductions is not only to avert an economic decline or recession. There is no evidence to give us cause for concern that the economy will reverse itself. The reason for a tax cut is to make our economy stronger, more productive, operating at fuller capacity, making use of our full industrial facilities and labor force.

In other words, it would absorb the unemployment, utilize the unused plant capacity and modernize our industrial plant so that it can face the competition which will inevitably come with the development of the Common Market in Western Europe and the increased attention to the economic scene by the Sino-Soviet bloc.

That is why the administration favors a tax cut in 1963, that is why I advocate a tax cut now, and that is why the overwhelming majority of economists favor a tax cut.

I am hopeful, Mr. President, that this Congress will take action to reduce taxes so that our full economic potential will be realized. I see no reason for delaying this decision until next year. This is not a temporary or emergency measure that is being proposed and what happens to the economy in the next few months should not be the determining factor in considering a more realistic and productive tax schedule. What we are concerned with here is enacting a tax law for the longrun picture which will make possible maximum economic growth which in turn means higher incomes and greater, not less, tax revenue to meet the needs of our great country.

It seems to me it is the responsibility of the Congress to take a hand in this matter. While the experts in the Department of the Treasury have said that in 1963 such a tax cut would be made available and would be effective January 1, 1963, it is my view that if the commitment is to be kept—and it will be—that the time to fulfill the commitment is now, and we can make the date of the tax adjustment effective January 1.

It is my view that the people of our Nation would rather see the Congress fulfill its obligations now than to wait until some later date.

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

Mr. HUMPHREY. I yield.

Mr. SMATHERS. First, I commend the very able Senator from Minnesota on the statement which he has made. While I do not agree with him entirely on every one of the points that he has made, nonetheless I cannot help but believe that the basis and the thrust of his argument are completely sound. It seems to me, as he has so well stated, that most of the economic indicators demonstrate that the country is in rather good shape. Nonetheless, the country's economic condition is not living up to the potential that we had hoped for it or that we had expected for it. If we are going to have a tax-reduction bill, it would seem to me that the time to have it, as the able Senator has so well stated, is now when the economy indicates that it is rather looking downward, if not going downward. It is better to have the tax cut now to head off the trend and to change the direction before it is too late. I can see no purpose in talking about having a tax cut in the early part of 1963 rather than having it now. If we wait until 1963 and the economy slides further, we may then require a massive tax reduction in order to stimulate the economy again, whereas if we get something moving at the present moment to stop the slide before it becomes accelerated downward, I believe that the economy will be quickly stimulated, that the economic indicators will look even better than they do today, that employment will again increase, and that the country will begin to grow at the rate that we wanted it to grow.

I commend the able Senator for his statement. I might add that it would appear, from my observations as a member of the Committee on Finance, that the present bill, which is in the Committee on Finance, as it was sent to us, is in deep trouble, and that it is not going to pass in the form in which it was passed by the House.

I believe that if we were to bring up a tax-reduction bill with certain revisions of the tax bill which has come to us from the House, we would be able to pass a tax-revision bill with the loophole closing provisions which we now have before us, and in that way the shock to the Treasury would not be so great.

In other words, by the passage of most of the provisions which are before the Senate—leaving out the withholding provision, leaving out the investment credit provision, and passing all the rest of the provisions, with some modifications—we could bring into the Treasury perhaps a billion, two hundred million dollars. We have, then, a basis for having some kind of tax revision at this time, and it is the kind of action that would meet with approval of the Congress and, I am sure, with the enthusiasm of people throughtout the country.

Mr. HUMPHREY. I thank the Senator. He is a member of the Committee on Finance. Quite obviously his words on these matters of fiscal and tax policies mean a great deal and carry considerable weight. It is my view that the time to have a tax cut is now, before the economy finds itself in very serious trouble. We should make the cut now, rather than wait. We may wait too long. If we wait too long we may find it necessary to make a massive cut, which could have a disruptive effect on a healthy situation.

It is my hope and view that we will take a good, solid look at the development of the economy—for example, carloadings, industrial production, housing construction, commercial construction, investment in capital goods—and then constantly measure these factors and indexes by what is happening to the employment picture.

It is my view that an economy which bears the burden of approximately 5 million unemployed is like an individual who for all practical purposes seems to be healthy. It may be that his physical examination shows nothing wrong, or, in fact, shows that he is healthy. Yet he feels sluggish. He is not able to do the job that needs to be done. We know that a doctor who would diagnose the case of such an individual would recommend that remedial treatments be taken soon, lest it be necessary to proceed with serious surgery or lengthy medical care. It is my view that the analogy applies to the economic situation.

I do not believe we can ignore the gyrations of the stock market. I have said repeatedly, and I say again, while the stock market is not an accurate index of the economy or an accurate economic barometer, it is a reflection of the economy. In other words, it reflects both the economic story and the psychological situation.

My concern is that we are not paying proper attention to some of the warning signs that have been before us for several months. It is a fact that the rate of recovery from the recession of 1960 has not been what we had hoped or expected. It is a fact that the three recessions of the 1950's have left a heavy burden on the economy. It is a fact that steel production is down to less than 60 percent. I believe it is 55 percent, and I understand that it may go lower. It is a fact that consumer savings are high. That means that there is a lower rate of consumption in the country.

These factors must be taken into consideration. My hope is that the Committee on Finance will take the initiative in this matter. After all, the Department of the Treasury and the administration as a whole have recommended that, as I have said, in January 1963 something will be done. It is my view that if we are going to keep that commitment—and I do not believe it would have been made unless it had been the intention to keep it, and I believe the commitment will be kept—we should do it now.

Surely, any kind of definite notice by Congress and the Government to industry as to what the tax picture will be will do much to stimulate and improve the economy.

One important factor in the problem is the uncertainty with respect to our tax policy. Our tax policy should be in a priority situation, so as to remove any doubt or ambiguity. We should do something, whatever it is. In other words we should handle a tax bill as rapidly as we can and give the investment community, workers, management, homebuilders, homeowners, mortgage companies, banks, and other financial institutions an indication and some firm guidelines as to what the tax policy will be. Uncertainty about the investment tax credit, for example, and about the tax revision policy of the Government are slowing down investment. Something must be done.

I ask unanimous consent to have printed in the RECORD at this point the article entitled "Tax Cut Fever," published in the Wall Street Journal of June 28, 1962; excerpts from the remarks I made before the Minnesota Bankers Association on June 6, 1962; a copy of my newsletter of June 11, 1962, and a copy of my news release of June 26, 1962.

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

[From the Wall Street Journal, June 28, 1962]

TAX-CUT FEVER: MOST ECONOMISTS FAVOR REDUCTION, SPLIT ON TECHNIQUE

(By Arlen J. Large)

The uncomplicated appeal of money will certainly fuel much public support for the proposed Federal tax cuts.

But for those who need it, there is no lack of high-toned economic theory justifying this politically popular step now promised by President Kennedy for 1963, if not sooner. Furthermore, the tax-cut doctrines now being spun out by most professional economists come in an assortment of ideologies so widely scattered that one or another can be found to satisfy nearly everyone.

Economists still differ, of course, on whose taxes should be cut most and on the significance of the resulting budget deficits. But there is now a remarkable consensus among economic soothsayers on the main point: Uncle Sam's tax burden is throttling economic growth and should be lightened. "I think that once professional economists get pessimistic about the economy, then most of them turn to a tax cut as the way out," observes a career business analyst in the Commerce Department.

BANKING ON A BOOM

Almost as remarkable as the tax-cutting consensus itself is the speed with which it has developed. Only last January, Mr. Kennedy budgeted an increase of nearly $11 billion in the Federal tax take between mid-1962 and mid-1963 with no change in personal or corporate income tax rates. The extra money was to have been generated from a soaring economy, and the resulting presumed budget surplus stood as a goal "which seems appropriate at the present time," the President then said.

The economy has grown since January, but it hasn't soared. Administration chart-watchers partly blame this spring's unexpected up and downs in steel inventories for disruption of the economic flight plan. More blame is assigned, though, to the failure of business investment to climb on schedule. Not only is there disappointment over the shortrun trend of new spending on factories and equipment (a likely 8-percent rise over last year versus a hoped-for 15-percent increase), but there's worry over a longrun failure of these outlays to keep pace with total economic activity.

It's the investment lag on which most of the tax-cut theories now converge, though some of the paths are meandering. Depending on the theorist, it's reasoned that a tax cut will (A) make ordinary consumers so rich that they'll buy more goods, luring company presidents into building and modernizing factories to produce the extra merchandise, or (B) let individuals and companies have more of their money for investment in new factories, which will create more jobs and make wage-earning consumers rich enough to buy the extra merchandise.

These twin circles of argument lead to the same essential: A reduced Federal tax burden on the economy. But because the two theories disagree on whether wealth trickles up or down, they permit continued side arguments among theoreticians over which taxpayers should get the most relief.

Thus organized labor contends that when tax cuts are passed around, business and rich people should be left out. "Tax cuts for the low and middle income groups," declared AFL–CIO President George Meany last week, "find their way into the spending stream, while tax cuts for upper-income recipients usually move into savings." Reduction of the 52 percent corporate tax rate, he added, would be "very unwise" because companies already have plenty of funds for new investment.

Organized business groups base their own arguments for tax reduction on just the opposite line of technical reasoning. The U.S. Chamber of Commerce declares that people in the 60 percent-plus tax brackets want to invest wealth productively, but that they have little left after Uncle Sam takes his share.

The chamber, whose board of directors will meet this weekend to consider a possible call for an immediate tax cut, doesn't argue low-bracket groups should get no relief at all. But its economists question the stimulative effect of a cut in withholding rates resigned to increase the factory worker's weekly take-home pay. Most people don't buy cars, houses and refrigerators from their paychecks, this argument runs, but from credit. Thus, a few dollars every week wouldn't necessarily translate itself into effective demand.

Some tax-cut advocates refuse to enter this hoary "trickle up" vs. "trickle down" debate, but urge an evenhanded distribution of relief.

The Kennedy administration also tries to avoid taking sides, stressing the need to encourage both consumer demand and business incentives for "productive investment." Thus, its tax program is a mixed ideological stew of bigger depreciation allowances, cuts in both high and low individual tax brackets, and a probably small reduction in the corporate rate.

Economists who join the parade of tax-cut advocates have found various technical ways of making their peace with the nagging question of deeper budget deficits. Some boosters of an immediate cut argue the economy would revive so much that when lower tax rates were applied to larger incomes the Government would actually lose little revenue. Another school of theorists contends there would be a deficit, but that it wouldn't be inflationary as long as there's high unemployment and the money supply swells no faster than the economy as a whole.

Of course, the tax-cut army also contains economists who openly contend a budget deficit is positively desirable in today's circumstances. Laced heavily with the doctrines of John Maynard Keynes, the late British economist whose name still sends everyone running for the ideological trenches, their argument runs thus: There has been a basic change in the postwar economy. Consumers aren't so eager as before to go into debt; businessmen have plenty of capacity in existing factories and little incentive to borrow expansion funds. This leaves too much money lying around in savings compared with the demand for borrowed money. A Federal deficit is the way to channel the savings surfeit into more productive debt.

SPENDING CUTS URGED

Still other economists agree with one or the other of the theories supporting a tax cut but are unable to swallow the resulting

deficits. Raymond J. Saulnier, the Eisenhower administration's chief economist in its closing years, thinks it would indeed be "enormously helpful" to reduce the total taxload, but he argues it must be accompanied by an attack on lofty Federal spending. "Neither our domestic nor our international affairs will permit us to go for very long on a spree of higher spending, lower taxes and bigger deficits," Dr. Saulnier declared in a speech last week.

Except for deficit worriers, though, outright opponents of a tax cut are rare. John Kenneth Galbraith, an economist who advocates channeling more resources into the "public sector," divorced himself from Washington's tax-cut talk during a recent trip home from his ambassadorial post in India.

There's little evidence that the viewpoints of either Mr. Galbraith or Dr. Saulnier will prevail; the Kennedy administration shows no inclination to mount a drive to cut spending. And the momentum of tax-cut sentiment is believed by some veteran Washington officials to be even stronger now than during the 1958 recession, when Mr. Eisenhower was being urged—unsuccessfully—to back a tax reduction.

The waves of technical-sounding judgments from professional economists will solve the deficit worries of many Congressmen when the tax-cut decision comes before them this year or next. And the rationalizations will come in handy, too, for those ordinary taxpayers who hunger to seize back some of the money they're not now allowed to keep.

EXCERPTS OF REMARKS BY SENATOR HUBERT H. HUMPHREY, MINNESOTA BANKERS ASSOCIATION, MINNEAPOLIS, MINN., JUNE 6, 1962

A few years ago, this Nation was in the midst of a serious recession. The country was basically strong, but unemployment was increasing and business activity was decreasing.

The best grade we could have applied to our Nation's economic report card was a C—and I suspect we barely qualified for that.

Since the recession of 1960, our economy has improved. We have put in some hard work and tried some new methods to boost our economic health.

And today, there is no doubt that our economic report card shows a definite improvement.

We rate a good, solid, above-average B for economic activity and health.

But none of us would be conscientious citizens—or patriotic Americans—if we remained satisfied with a better-than-average performance.

We in America have a tradition of seeking excellence in all areas of our life and society. We do not want to be second best. We want to be first.

In short, we need to earn an A on our economic report card. And to do so, we need to exert more effort, harder work and some new methods and policies.

First, let us take a look at our Nation's economic performance today, compared with a few years ago.

How did we raise our economic grade from an adequate C to a solid B?

In the first quarter of 1961, America's gross national product was $500 billion.

In the first quarter of 1962, the gross national product of the United States stands at $548 billion.

This is an increase of 9½ percent.

Corporate profits before taxes rose from about $39.6 billion in the first quarter of 1961 to $52.4 billion at the end of the fourth quarter—an increase of one-third.

The labor income rate nationally in April 1961 stood at $280 billion.

In April 1962, the labor income rate had risen to $309 billion—a 10-percent increase.

One of the most encouraging improvements has been the sharp drop in the rate of unemployment.

The unemployment rate nationally has dropped from 6.9 percent of the labor force to 5.5 percent.

This has been a 20-percent improvement—with the actual number of unemployed workers down from 5 to 4 million. And an additional 1 million persons were added to the labor force because of population growth.

The improved employment situation alone would justify a change from a C to a B in our economic report card, but there are more reasons.

Industrial production has been boosted 15 percent from the first quarter of 1961 to the first quarter of 1962—and it's still increasing.

Personal consumption expenditures—representing the amount spent by the public in the marketplace—have risen $21 billion in 1 year.

Housing construction is moving up at a rate of a million and a half units a year—the highest in 3 years and one of the highest rates in our history.

Of particular interest to bankers in Minnesota and throughout the Nation, consumers increased their holdings of liquid assets more than $20 billion in 1961, while consumer debt rose by only $0.5 billion.

All of these developments point to a nation which is basically strong, prosperous, and growing. Clearly, we have recovered from the recession of 1960. We have boosted our economic grade from a mediocre C to a respectable B.

But the semester is not over. We still have work to do. We still need extra efforts. We still need to find new ways and to take new steps to boost our economic health and prosperity to the levels of which our Nation is capable.

In a world which is moving and changing swiftly, we need all the strength our Nation can muster.

Freedom is threatened by the angry, aggressive totalitarianism of a strong and clever Communist empire.

And within the free world, the United States faces the healthy and friendly, but serious, economic competition of the prosperous and powerful European Common Market.

This is not an age in which we can satisfy ourselves and assure our survival and growth with an average effort and an OK philosophy.

This is the space age, demanding an A–OK performance not just by our astronauts, but also by all areas of our Nation.

And that includes our economic performance. We need to strive for full economic health and excellence. We need to earn an A for economic prosperity.

When I say "We," I do not speak abstractly. I do not call for new effort only by one part of our Nation.

This effort for continued improvement must come from all who are able to influence the economy for the better.

It must come from private industry and business. It must come from individual citizens and labor unions. It must come from local and State governments. It must come from the Federal Government, too, including both the administration and the Congress.

I have already defined the improvements and the progress of our Nation's economic situation which have been won in the past few years.

Now let me point to the areas of our economy which need further improvement.

First, the Nation's unemployment rate, 5.5 percent, is still too high.

Second, consumer spending is too low. Excess plant capacity can be utilized only when consumer spending increases.

Third, investment by business for modernization and efficient production is too little. Fourth, the Nation's economic growth—though improved—is too slow.

Last week, I went to New York to meet with officials of the New York Stock Exchange and other financial leaders.

What I learned in that personal trip strengthened my concern about the recent instability of the stock market as a reflection of our economic strength.

The recent instability of the stock market was, I believe, a dramatic reminder to business and Government alike that economic policies which stimulate growth and expansion are long overdue.

The economists and businessmen with whom I have met agree that our present rate of economic growth is too slow and too little to absorb unemployed workers and new entrants into the labor force.

Our rate of economic growth is, in fact, the lowest of any major industrial nation in the West.

I cannot attempt to advise industry or private business what to do. That is their responsibility.

But as a U.S. Senator and as an independent member of the administration team in Washington, I can and do urge new action by the Government to help strengthen the economy.

And we do need action. There are those who say that all we need is for the President to go on television to assure the Nation that the economy is basically sound.

The President has done that. But he knows and we all know that it will take more than expressions of cooperation and words of reassurance to help stabilize the stock market and to strengthen the economy.

Any delay by Congress or the administration on necessary action programs could bring further economic trouble.

These are my specific recommendations:

First, a firm commitment by Government—and private industry—that unemployment will be reduced to not more than 4 percent of the work force.

Second, a stepped-up public works program placed into operation at once. Legislation for this is pending in Congress.

Third, an effort to boost our exports through a massive oversea selling program. This requires immediate approval of the President's Foreign Trade Expansion Act.

Fourth, we need a decision on taxes. The investment tax credit provisions of the President's program must be enacted by Congress at once, but more is needed. I recommend tax cuts of between 2 and 4 percentage points on corporate income and 2 percentage points on individual income.

This fourth and final step, I believe, is necessary now. It is a fact that investment has lagged behind corporate cash flow. New and increased investment can and must be stimulated by a new and more liberal tax policy.

A 2-percentage-point cut in corporate income tax and a 2-percentage-point reduction in individual income taxes would, it is estimated, inject about $5 billion of capital into the economy.

Add to that the investment tax credit, and we will have an economic incentive to overcome almost any obstruction to capital improvement and full economic recovery.

NEWSLETTER FROM SENATOR HUBERT H. HUMPHREY, WASHINGTON, D.C., JUNE 11, 1962

THE ECONOMY AND THE STOCK MARKET

The recent instability of the stock market is a dramatic reminder to business and Government that new policies and programs are needed to stimulate economic growth. The up-and-down fluctuations of the stock market do not fully reflect the Nation's economic strength, but they do indicate that there is definite room for improvement.

RECOVERY SINCE 1960

The American economy today is strong, and the recovery since the recession of 1960 has been substantial and constant. Here is

some of the evidence that the Nation has moved ahead economically since 1960:

America's gross national product increased from $500 billion in the first quarter of 1961 to $548 billion in 1962's first quarter, an increase of 9.5 percent.

Corporate profits before taxes rose from $39.6 billion to $52.4 billion in the same period—an increase of one-third.

The labor income rate nationally in April 1961 was $280 billion. In April of this year, it had risen to $309 billion—a 10-percent increase.

The national unemployment rate has dropped from 6.9 percent to 5.5 percent of the labor force—a 20-percent improvement.

Industrial production has been boosted 15 percent from the first quarter of 1961 to the first quarter of 1962.

THE JOB IS NOT DONE

These facts emphasize the significant economic boost our Nation has enjoyed since early 1961. Our economic report card—which rated at best a C grade in 1960—now merits a good, solid B. But we should not be satisfied with partial improvement or an everything-is-OK philosophy. This is a fast-moving age, and we need all the strength we can muster. We need an A–OK performance not just from our astronauts, but from all parts of our Nation. We should strive for excellence, for an A grade.

FOUR ACTION STEPS FOR STRENGTH

Although our economy is basically strong, there are areas of weakness which command immediate action from the business community and Government. The Nation's unemployment rate is still too high. Consumer spending is too low. Investment by business for modernization and expansion is too low. And economic growth—though improved—is too slow. These are my specific steps for action: First, a firm commitment by Government and private industry that unemployment will be reduced to not more than 4 percent of the work force. Second, a stepped-up public works program placed into operation at once. Third, an effort to boost our exports through a massive oversea selling program—requiring immediate approval of the President's Foreign Trade Expansion Act. Fourth—and most important—we need a decision on taxes. I recommend tax cuts of between 2 and 4 percentage points on corporate income taxes and 2 percentage points on individual income taxes.

TOWARD FULL ECONOMIC PROSPERITY

These steps are necessary now, not next year. This Nation faces a threat from a powerful and clever Communist empire. We also face the friendly—but serious—competition of the European Common Market. Those challenges must be met now, to keep America strong and growing.

HUMPHREY URGES IMMEDIATE ACTION ON TAX CUTS

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, has urged congressional action this year for tax cuts on both personal and corporate income.

Speaking Monday at the national convention of the National Office Machine Dealers Association at the Leamington Hotel in Minneapolis, the Senate majority whip said that "one of the greatest obstacles to getting our economy running at full acceleration is present uncertainty over tax policy."

"Congress should end this uncertainty by enacting this year a tax cut on both personal and corporate income. These tax reductions, tied in with the administration's proposals now before the Congress for a tax credit on capital investments, will give our economy the boost it needs," Senator HUMPHREY said.

"By acting this year on tax cuts, Congress will encourage new investments for more modern and efficient production, bolster employment, increase consumer spending, and take up the lag in presently unused plant capacity.

"Present tax laws are a drag on the economy. Only by reducing personal and corporate income taxes, granting investment tax credits, and putting into effect more realistic depreciation allowance schedules can we realize our full economic potential.

"Failure of the Congress to act—and to act this year—will mean a continued lag in the economy which cannot be tolerated.

"Our country cannot meet its responsibilities as leader of the free world, maintain adequate defenses, provide necessary assistance to the underdeveloped nations of the world, and provide adequate living standards for the American people with an economy that is operating below maximum efficiency.

"The time for action is now. The responsibility rests with the Congress of the United States. Before this session of Congress comes to an end I am hopeful that the new tax law will be enacted so that we can get our economy operating at full speed."

AMENDMENT OF INTERSTATE COMMERCE ACT TO STRENGTHEN AND IMPROVE THE NATIONAL TRANSPORTATION SYSTEM

The Senate resumed the consideration of the bill, S. 2560, to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JAVITS. I wish to inquire of the Chair as to what the pending business is.

The VICE PRESIDENT. The pending business is S. 2560, to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

Mr. SMATHERS. Mr. President, on March 22, 1961, the Surface Transportation Subcommittee of the Senate Committee on Commerce began a series of hearings which have since become known as hearings on the "Decline of Regulated Common Carriage." One of the chief concerns of the subcommittee in its investigation was to find the reasons for the rapid growth of unregulated carriers. During the course of the hearings some 27 witnesses, representing the various forms of transportation and shipper interests, as well as the Interstate Commerce Commission and the State regulatory agencies, gave us the benefit of their experience and observation. As a result of the information presented to us, it became apparent that a vigorous program utilizing to the fullest extent the enforcement powers and the facilities of the Federal and State Governments, as well as private individual uses needed to meet the threat to authorized carriers.

During the past few years illegal interstate for-hire motor transportation has become one of the largest single problems facing the Nation's transportation systems. It has been estimated by the ICC's Bureau of Transport Economics and Statistics that something in the neighborhood of 11.2 billion ton-miles of freight moves illegally each year. The Florida Public Utilities Commission puts the estimate of such "gray area" transportation at approximately 25 to 40 percent of all interstate for-hire transportation—over $3 billion. The conclusion reached from the testimony received is that the growth of unlawful operations has brought great pressure on all modes of regulated carriage and poses a serious threat to the ability of such carriers to continue their service to the public.

Mr. BARTLETT. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am happy to yield to the able Senator from Alaska, who is a member of the Committee on Commerce.

Mr. BARTLETT. Mr. President, I send to the desk an amendment to S. 2560 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 7, it is proposed to change the comma to a period and strike everything after the quotation mark through line 13.

Mr. SMATHERS. Mr. President, the bill before the Senate today, S. 2560, is designed to encourage and implement stricter enforcement of part II of the Interstate Commerce Act. The purpose of the bill is to strengthen those provisions which have been in the law since its enactment in 1935 and to add procedures which the testimony at our hearings indicates are needed if we are to strengthen and preserve the common carrier system.

Section 1 of the bill has a dual purpose: To coordinate Federal and State enforcement against those who operate in interstate commerce without the necessary certification required by law, and to bring about uniformity in State laws relating to interstate motor carrier operations. This section represents a balanced approach to a serious problem—the need of States for information by which to control unlawful highway transportation and the need of legitimate interstate motor carriers to operate on the highways without unnecessary and unduly burdensome State regulation.

As I said before, the growing amount of unlawful transportation threatens the stability of legitimate carriers. The excellent experience in a number of States—for example, Florida, Arkansas, and Illinois—in cracking down on illegal operators gives us a very useful avenue of attack against those who would operate without regard for the requirements of law. At present, 35 States are exercising their authority to control the use of the public highways within their borders.

At the same time, burdensome State filing requirements add greatly to the money and manpower costs of legitimate carriers. In making use of State enforcement activities, we must also make certain that we do not overburden those who operate within the law.

This section is not intended as an encroachment on the authority of States to

do what they are now doing. Rather, it is a means of achieving order in what could otherwise be a chaotic situation. Today these 35 States require those who are regulated by the Interstate Commerce Commission as interstate for-hire carriers to register their Federal operating authority, to identify their vehicles, to file policies of insurance, and the like. Under present conditions there are substantial variations in the State requirements.

The proposed legislation in no way attempts to prevent States from requiring the registration of such carriers or obtain the information they seek, but a genuine need exists to bring about uniformity so that legitimate carriers are not unduly burdened.

The uniformity contemplated by this measure will not be unilaterally established by the Federal Government. Under the language of the section the Interstate Commerce Commission is directed to consult with the States before promulgating the standards called for. In the words of the bill:

> In establishing such uniform standards the Commission shall give due regard to the needs of the several States for information * * * the Commission shall consult with the regulatory bodies of the several States.

In recognizing the obligation of Congress to legitimate motor carriers and their need to move across State lines without unnecessary interference, the bill provides that in establishing the uniform standards the Commission shall protect carriers from a duty to file or otherwise comply with State requirements that might constitute an undue financial or administrative burden on the carriers. The Commission is also directed to take into account the differences in the operations of the various classes of carriers and to make proper adjustments in the standards to take care of each of the classes.

We hope this language will alleviate the fears of a number of carriers that the proposed legislation will add to their regulatory burdens. The bill grants no authority to the States that they do not now possess. By the same token, it adds no regulation by the States to which carriers are not now subject. In fact, with respect to both the authority of the States and the obligations of the carriers, the bill would change nothing. It would add a measure of uniformity.

The extensive hearings of the surface transportation subcommittee have indicated clearly that enforcement of the Federal laws on the regulation of motor transportation, if they are to be effectively administered, must be backed up by State activities along the same lines. We believe that such State enforcement is necessary and is highly desired if illegal for-hire motor carriage is to be stopped. The language of this section has no effect on the existing authority of the States to tax those who engage in business within a State or in any way to infringe on the authority of States with respect to the operation of motor vehicles on the highways.

With respect to section 2 of S. 2560, the first paragraph would amend section 222(b) of the Interstate Commerce Act, one of the enforcement provisions in the act which provides that the ICC may enjoin any motor carrier or broker who violates any of the provisions of part II of the act. The amended language expands the existing enforcement powers of the Commission to enforce the act and its rules and regulations, by authorizing the inclusion as a party any person or persons acting in concert or participating with any carrier or broker violating the law.

Under the provisions of this new language process may be served upon the violator or any person or persons acting with them without regard to the territorial limits of the district or the State in which the proceedings are instituted. This amendment for nationwide service of process has long been sought by the ICC. In enforcing the law it is often necessary for the Commission to join as defendants in the action shippers who use the services of motor carriers or brokers who operate in violation of the law. This amendment would allow the joining of defendants wherever they might be found. It would remove the barrier of territorial limits on the service of process and thereby facilitate the enforcement of the law.

Paragraph 2 of this section of S. 2560 is entirely new language. It is a self-help provision. Under it any injured party would be able to restrain anyone operating as a for-hire motor carrier without the required certificate or permit or other authority granted by the Commission under the provisions of the act.

While legitimate common carriers, both rail and motor, have suffered from the competition of illegal operators carrying goods in interstate commerce without the requisite operating authority, they have had no right under the law to protect themselves by means of court action to enjoin such illegal activities. Self-help is a highly valued law-enforcement procedure. The need for private citizens to protect themselves is required increasingly. The large task of enforcement which faces the Government will be substantially assisted by people being able to protect themselves within the limitations of the law.

The language of this section makes it clear that private suits could be entertained only in those cases where the violation complained of, and for which relief is sought, is a clear and patent violation of the law. Only those operations which openly and obviously are outside operating authority requirements of the Interstate Commerce Act could be restrained.

The courts could not be used where there was any question as to whether there was in fact a violation of the law. In order to insure that actions are not brought prematurely or that the court will be requested to rule in an area where the applicability of the law is not clear, the section requires that the Interstate Commerce Commission be notified of any application for relief under this section. The Commission will then be able to appear as of right and, if necessary, have the action dismissed until a later date, without prejudice.

As a further protection against malicious use of process and as a bar to numerous harassing lawsuits, this section requires the posting of a bond and calls for the recovery of attorney's fees and court costs where the action is not warranted by the facts and the circumstances.

Under the language of this section—and I cannot stress this too emphatically—suits may be brought only where the matter involves an obvious attempt to circumvent the need for the operating authority of the ICC. Any suit requiring or involving the interpretation of the law remains under the Interstate Commerce Commission's jurisdiction and the courts cannot entertain such suits.

This measure for self-help is designed to enable injured parties, for the most part the common carriers who are suffering from the competition of those who operate illegally, to close off the flagrant violations of the law. It will go a long way toward relieving the already overburdened enforcement personnel of the Commission of the necessity to handle obviously routine enforcement cases. This weapon against illegal operations is an adjunct and supplement to the Commission's activities in this area and is in no way intended to be a substitute for them.

The reason for restricting self-help to cases where operating authority is not held by the violator, is to prevent any dilution of the Commission's primary jurisdiction over the carriers involved and to leave it to the Commission to supervise the activities of carriers already under its jurisdiction and subject to its control. In cases involving operating authorities, highly technical interpretations are needed, and our courts would not be in a position to make the decisions needed without prior determination of the issues by the Interstate Commerce Commission. Let me emphasize again that an injunction proceeding is not authorized against any carrier who has any kind of certificate or permit from the Commission.

Section 3 of S. 2560 would amend section 222(h) of the Interstate Commerce Act, as amended, by including under the civil forfeiture provision any failure or refusal to comply with section 203(c), 206(a)(1), or 209(a)(1) relating to the need for certificates or permits to operate in the for-hire motor transportation business in interstate or foreign commerce, and any failure or refusal to comply with the safety regulations promulgated by the Commission. At the present time the forfeiture provision relates only to the failure or refusal to make reports, keep records, and perform similar bookkeeping functions. This has left the Commission terribly handicapped to deal with major violations of the act.

The new language would increase the forfeiture provided from $100 for each offense to not to exceed $200 for each offense, and in the case of a continuing violation from $50 for each offense to not to exceed $100 for each offense after notice. The provision would also change the existing section by enabling the Commission to proceed on its own in the

Federal courts rather than require the Commission to request action through the Department of Justice.

The language of this section was requested by the Interstate Commerce Commission for the purpose of increasing its ability to contain illegal operations being conducted by either regulated or unregulated carriers. This principle was also recommended in the President's transportation message. The Commission testified that such an amendment would be helpful in its efforts to eliminate unlawful and questionable leasing arrangements.

The inclusion under the civil forfeiture provision of this new material would enable the Commission to more directly attack those who operate without regard to the requirements of the law. It will relieve them of the necessity for preparing and prosecuting difficult criminal actions, and it should speed the process of bringing illegal operators to account.

The major question concerning this section is with respect to the Commission's application of civil forfeiture penalties for safety violations by regulated motor carriers as well as legitimate exempt and bona fide private operators. These trucking operations pride themselves on their record of safety compliance and safety of operations. With respect to these operators, especially the regulated carriers, the Commission has ample opportunity to inspect their vehicles, drivers, and records in order to supervise their safety operations. The civil forfeiture penalties for violation of safety regulations are not looked on as an additional means of penalizing those who make substantial efforts to comply with the law. This civil forfeiture provision is not intended for use in connection with innocent violations and those of a minor nature which could have no relation to highway accidents.

However, the safety record of "gray area" operators is not an enviable one. The illegal operator maintains few records, usually has no office, and is not concerned with safety compliance. The civil forfeiture enforcement of safety regulations is included in this bill as a weapon against those who make their living flouting the law.

Section 4 of the bill would remove the exemption of "used household goods" from the provisions of section 402(b) of the Interstate Commerce Act. In consequence of the removal of this exemption, the provisions of part IV of the Interstate Commerce Act becomes applicable to freight forwarders of used household goods, except as otherwise provided by section 4 of the bill.

Section 4(b) of the bill would amend section 406(g) of the Interstate Commerce Act to direct the Commission in prescribing regulations and practices of household goods forwarders to consider the similarities of service provided by motor carriers of household goods. This direction recognizes the close relationship between these two activities.

Section 4(c) of the bill would amend section 410 of the act to provide for the issuance of a permit to operate as a freight forwarder of used household goods to any person found by the Commission to be fit, willing, and able properly to perform the service proposed. Permits are to be of 1-year duration and would be renewable annually. Both original and renewal applications must be accompanied by a fee of $50. Neither a "grandfather" clause nor a finding of public need is deemed necessary for the effective regulation of this activity. Indeed, more stringent entry control would tend only to prefer those who have initiated token operations. Many persons have operated as freight forwarders of used household goods only sporadically, but unless they are allowed to qualify for a permit upon a showing of fitness, they will lose business to competitors and be unable to serve their customers as they have in the past. Such a loss or redistribution of business is not intended.

Section 4(d) of the bill would amend section 410(c) of the act to enable a motor common carrier of household goods to qualify as a freight forwarder of used household goods. Since many such carriers are now functioning as forwarders, this provision is required to enable them to perform the same service they have in the past.

Section 4(e) of the bill would amend section 410(e) of the act to make the provisions of that section inapplicable to freight forwarders of used household goods. In order to afford forwarders of used household goods the flexibility which their operations require, permits to be issued should contain no territorial restrictions. This provision is intended to effectuate this objective.

Section 4(f) of the bill would amend section 411(c) of the Interstate Commerce Act to enable a motor common carrier or a director, officer, employee, or agent of such carrier to control, acquire control, or hold stock in a freight forwarder of used household goods. Again, this provision is designed to protect the position of carriers or carrier personnel who have acquired a stock interest in a freight forwarder of used household goods.

Section 4(g) of the bill would amend section 417(b) of the act to accomplish the same objectives as those outlined in the discussion of section 2 relating to the amendment of section 222(h) of the act.

Section 5, recommended in the President's transportation message, would authorize the Interstate Commerce Commission to make agreements with States to cooperate in the enforcement of the economic or safety laws and regulations of the various States or of the Federal Government with respect to highway transportation. Of this provision the message stated:

> This law would be consistent with collateral efforts to develop and adopt uniform State registration laws for motor carriers operating within States but handling interstate commerce. The purpose of both of these efforts is to help eliminate unlawful trucking operations which abound because of diverse, ambiguous laws and practical limitations in enforcement.

The need for such cooperation was one of the findings made in the report on "National Transportation Policy" by the Senate Committee on Commerce, Senate Report No. 445, issued June 26, 1961. This report, the so-called Doyle study, which the Senate authorized and which took over 2 years to complete, made the following recommendation:

> In the belief that the public interest requires economic and safety regulation of motor carrier transportation we recommend that an effective enforcement program, applicable to interstate and intrastate motor carriers, be developed cooperatively by the Federal and State Governments and the motor carrier industry.

Mr. President, the bill before the Senate today is the fifth draft and is the result of extensive public hearings and meetings between various segments of the industries concerned. I think my colleagues on the Commerce Committee, which unanimously reported S. 2560, will agree with me that we have exerted every effort to balance the need, on one hand, for stepped-up interstate motor carrier enforcement with the need, on the other hand, for protecting the varied interests of the legitimate operators.

After all the meetings, discussions, hearings, redrafts, and more of the same, the conclusion has always been that there is an urgent need in the so-called gray area of transportation. The President's transportation message, transmitted to Congress on April 5 of this year, came to the same conclusion. Print No. 4 of S. 2560 being considered now contains two of the provisions recommended in that White House program.

The former chairman of the Commerce Committee, Senator Edwin C. Johnson, of Colorado, appeared in one of the early hearings and termed this a "modest" bill, a first step toward limiting the dangerous inroads made by illegal highway transportation.

Mr. President, before concluding these preliminary remarks, I wish to say that I am most grateful for the cooperation given in the committee by the very able Senator from New Hampshire [Mr. COTTON], who attentively met with the subcommittee and made great contributions to the working out of the difficulties with which we were confronted, and has had a major part in the drafting of this proposed legislation.

I also wish to thank the able senior Senator from New Jersey [Mr. CASE], who also is a member of the subcommittee, and who sat with us patiently; and when it looked as if we were faced with insurmountable obstacles, he was most cooperative and helpful in suggesting ways in which we could overcome them and could draft a bill which would be generally constructive and helpful.

Mr. COTTON. Mr. President——

Mr. SMATHERS. I am happy to yield to the Senator from New Hampshire.

Mr. COTTON. Mr. President, as a member of the subcommittee, I should like to say that I think the distinguished Senator from Florida is greatly to be commended for the careful workmanship and the persistent efforts he has devoted to dealing with this problem.

I wish to ask him a question, although not at all from a critical point of view. I am in favor of his bill; I believe it to

be a proper approach, and to be entirely necessary, and I shall support it. His bill is in keeping with a policy which has been laid down by the Department of Commerce, and it is treated in a report by the Doyle study group on the need to restrain abuses of the unregulated carriers, in order to preserve, for the benefit of the Nation, the regulated carriers, both the railroads and the motor carriers.

Recently there have been introduced Senate bill 3242 and Senate bill 3243, which implement the President's transportation message. The Secretary of Commerce and his assistants testified the other day; and the Assistant Secretary of Commerce stated that it was now felt, and was the attitude of the Department of Commerce, that we should have an about-face, and that instead of having further regulation, we should have less regulation; and that instead of narrowing the "gray" area, it should be extended, and there should be less restraint on what are now the regulated carriers.

I am not asking the Senator from Florida to prejudge any administration bill which may be before our committees; but in light of that position, let me ask whether he regards this bill as a temporary expedient to safeguard us while we are considering a radically new policy; or whether he believes that, after all, the wise approach is to continue to have careful regulation of all modes of transportation, in order to preserve them for the country.

Mr. SMATHERS. In response to the question asked by the able Senator from New Hampshire, I would say that it is my humble judgment that the regulated common-carrier industry, as such, has made a great contribution to the development of our country; and if it had not been for regulation of the transportation industry, I am afraid we would have had a monopolistic situation in which only one company would have ended up owning all the modes and all the means of transportation. We would not have had the valuable competitive situation which we now have.

So I am not one of those who subscribe to the immediate adoption of a program which would remove all regulations. I believe that in the area of determining rates for the transportation of goods, possibly there could be a little more flexibility, and possibly some added competition between and among the modes.

But I believe it would be nothing less than catastrophic if at this time we suddenly said we would do away with the Interstate Commerce Act and the Interstate Commerce Commission and the regulations promulgated under that act.

Mr. COTTON. I am much reassured by the very fine statement the Senator from Florida has made, and I thoroughly concur in it.

I have been somewhat alarmed at the implications of these two bills, whose authors I think perhaps sincerely mistake free competition with what might develop into real piracy and cutthroat competition.

Mr. President, the basic purpose of the proposed legislation is to strengthen the Nation's common carrier transportation system by providing stricter enforcement of the laws against illegal, "gray area" operations.

There is no need to go into a lengthy review of the problems of the common carriers, and their declining share of the Nation's total transportation. Common carriers, which hauled 79 percent of the total intercity traffic in 1946, carried only 66 percent by 1959. This decline, of course, has had a serious effect on the carriers. Railroads have had several years of deficits; one railroad is in bankruptcy, and many are seeking mergers in an effort to improve their financial position. Common carrier trucking companies and bargelines are only a little better off.

The problems of the common carriers affect us all as the consumers of goods and materials which move from production to market via our transportation system. Common carriers offering regular service to the general public, are the backbone of our transportation system; and their decline inevitably operates to put at a disadvantage the shipper, the manufacturer, or the merchant who cannot afford to operate his own transportation service.

Illegal transportation operations penalize the common carriers, the legitimate shipper who owns and operates his own trucks, and the general public.

No one knows for sure the extent of unlawful or questionable operations on the highways, but the available statistics indicate that it is extensive. The National Council of State Transportation Specialists believes that 25 percent of the total intercity truck traffic is unlawful or questionable. The Interstate Commerce Commission has unofficially estimated the extent of such operations at about 5 percent. If we accept these as high and low estimates, we can figure that somewhere from $840 million to $4.7 billion a year is being diverted from regular carriers each year to the pockets of illegal operators.

Gray area operations cover a variety of different practices and arrangements: a for-hire operator carrying regulated commodities without certificate or permit; a shipper who leases a vehicle and driver where the shipper does not have complete control of the transportation; carriers who operate beyond the commodity or territorial scope of their authority; "buy and sell" operations where the trucker falsely claims to have purchased the goods he transports so he can sell them at destination.

Many examples can be cited for these kinds of illegal activities. For instance, a law enforcement officer stopped a truck with a load of razors and razor blades worth $5,500. The driver claimed that he owned the load. Yet, according to the officer, he had only 30 cents in his pocket, and "hadn't even shaved."

The bill would provide for a three-pronged attack on these kinds of illegal transportation operations.

First, it would strengthen the authority of the Interstate Commerce Commission to secure enforcement of the law and the rules and regulations regarding illegal transportation.

Second, it would increase the financial penalties which could be imposed on those who engage in illegal operations and would also increase penalties for violations of the safety regulations of the ICC.

Third, it would authorize injured private persons to apply to the courts for an injunction against illegal transportation operations.

These provisions are all designed to improve the enforcement of the Interstate Commerce Act. The bill would not change the substantive provisions of the law regarding transportation, and it would not make illegal any operation which has heretofore been legal, nor create any new categories of illegal operations. It just adds some new procedures for enforcing the law.

The most important and far-reaching provision of the bill—section 2—is that authorizing an injured party to bring an action for an injunction in the Federal court against an illegal transportation operation. The committee, in reporting the bill, has very properly provided a number of safeguards in this section. Any application for relief must also be served on the Commission and the Commission may appear before the court as a matter of right in the action. The court must set bond to protect the defendant against his costs in the case of an unwarranted or harassing suit. In addition, I regard the language specifying a "clear and patent" violation of the act as providing an additional safeguard in more than just a jurisdictional sense. As I read it, the language imposes a higher burden of proof than would otherwise be required. Furthermore, the bill gives the court power to permit the prevailing party to recover attorney's fees. In this connection, I think it is fair to state that the committee clearly intended that this power would be used to make the defendant whole in cases of unwarranted and harassing suits, and thus to serve as an additional protection against such actions.

Despite these safeguards, I have a lack of enthusiasm for this section of the bill. To me, it smacks a little of vigilante justice. If this provision is enacted into law, it is my intention to keep a careful watch on the way in which it is utilized, and if a pattern of abuse develops, I shall vigorously press for prompt remedial legislation.

The bill contains other sections designed to bring about more cooperative and harmonious relationships between the States and the Interstate Commerce Commission. The ICC would be instructed, under the bill, to work with the States in the enforcement of the Interstate Commerce Act, and in the reduction of undue regulatory burdens on interstate motor carriers. I think these sections of the bill are constructive and forward looking.

One additional aspect of this measure deserves comment because it is most unusual. The principal provisions of

this measure were recommended and endorsed by both the railroad and trucking industries. In fact, they worked together in their presentations to the Surface Transportation Subcommittee. I do not believe the millennium has arrived, or that the lion and the lamb are fully ready to lie down together, but the fact that ancient antagonists like these can work together cooperatively and constructively ought not to go unnoticed. The Senator from Florida [Mr. SMATHERS] deserves a good deal of credit and commendation for aiding this demonstration of harmony, which is long overdue in the transportation field.

I shall support the enactment of S. 2560, as reported by the committee because its solid constructive features outweigh the disadvantages and because the need for effective action to preserve the common carrier is critical.

So I hope the Senator's bill will be passed; and I am confident that these two other bills will be given careful consideration by members of the Commerce Committee on both sides.

Mr. SMATHERS. I thank the Senator from New Hampshire.

Mr. JAVITS. Mr. President, I wish to ask a question of the distinguished Senator from Florida.

Mr. KEATING. Mr. President, at this point I should like to have the Senator from Florida yield.

Mr. SMATHERS. Mr. President, I shall be happy to answer both the Senators from New York, but it will be difficult to do so simultaneously.

Mr. JAVITS. Let me say that I have in mind a question which perhaps is the same as the one my colleague has in mind. We have been approached by the movers of household goods, who make the contention that section 1 of the bill now before us would proliferate the number of filings and the amount of information which would have to be given to the individual States.

However, we do not have before us the hearings on this bill. Is it true that they have not been printed?

Mr. SMATHERS. They are not yet printed.

Mr. JAVITS. This always causes difficulty. Of course, Senators would be entitled to insist that a bill not be considered in the absence of the printed hearings on it. I am very fond of the Senator from Florida, and I would not wish to stand in the way of action on his bill, and would not wish to make a point of the absence of printed hearings; but I hope he will indulge me while I try to proceed in the absence of the printed hearings.

I have no idea whether there is any justice in this position; but when a representative group raised such a question in the absence of printed hearings, I am sure the Senator who is in charge of the bill will wish to supply the information which the printed hearings might otherwise supply.

The objection made by this group is—and now I shall quote from their statement, which apparently was made to the subcommittee headed by the Senator from Florida; I shall read parts of the statement into the RECORD, as a partial substitute for printed hearings:

> Consider first the reference to State requirements that interstate carriers register their ICC certificates and identify their vehicles. Obviously, it is desirable to identify the legitimate, certificated interstate carrier, whose service has been found by the ICC to be in the national interest.

Then this organization goes on to say what they object to:

> There is thus the constant problem that instead of one rule for the interstate carrier, laid down by the one Federal agency established to administer one set of nationwide rules, there are growing up 50, or many more than 50 sets of rules, differing, in each State, or in each justice of the peace or magistrate's court within each State. Uniformity and certainty are lost; it is impossible to conduct a business according to the rules, because the rules are constantly changing.

What this organization claims, in effect, is that when the ICC certificate is refiled in the States and they are called upon to carry the identification of the refiling on the trucks in the States, it results in giving authority, in practical effect—perhaps not in law—to the States which proliferates the slight variance in the fundamental requirements and causes them a great deal of difficulty and hardship.

I have read the bill, although I had to do it quickly, because I was only apprised of the matter very recently, and I do find this provision in section 1, on page 10, lines 2 to 9, which reads as follows:

> In establishing such uniform standards the Commission shall give due regard to the needs of the several States for information relating to the authority and operations of such motor carriers engaged in interstate and foreign commerce while protecting such carriers from a duty to file or otherwise comply with State requirements that, in the opinion of the Commission, might constitute an undue burden, financial, administrative, or otherwise, on the operations of such carriers.

My question to the Senator, therefore, is this: Did the committee adopt that sentence in the amendment which I have just read in response to the contention to which I have just referred, which, incidentally, was presented and made to me by the Movers Conference of America, which apparently testified before the subcommittee?

The second part of the question—and this is most important to me—is this: In view of the fact that one cannot obviously have any success in amending the bill—or even have any basis for it, because I have not studied the question, really—could the Senator give us any assurances upon the record, in terms of legislative oversight to be exercised by the committee, that if it is found that these practices are really onerous, upon a study by the committee, the committee would really move into the situation, as representatives of the people, and see that the situation did not get away from us in terms of the regulatory question?

Mr. SMATHERS. First, I thank the Senator for raising the question. I respond to the second part of his question, first, in the affirmative. The Senator is exactly right. With his usual acumen, he has seen that what we have endeavored to do in the bill is take off the "undue burdens" on interstate movers which sometimes occur because the numerous States through which they travel have different requirements as to how the carriers should register, how much insurance they should carry, and so forth. The result is that truck operators, particularly movers, are burdened down with all kinds of licenses, stickers, and decals, because the States do not have uniform requirements.

What we are trying to do in this bill is to create some uniformity among the 35 States which now have their own regulations with respect to interstate highway commerce that passes through those States.

We are trying now, with the cooperation of the Interstate Commerce Commission, the States, and the carriers and within a 5-year period, to get all these regulations uniform. The paperwork burden and the irritating little burdens of filing insurance policies, and matters of that character, would become uniform.

That is what this bill seeks to do. The movers came before the committee. They expressed the same concern and worry. We have tried to take care of them. We have amended the bill and tailored it as best we could to eliminate the irritations and harassments they suffer as they travel through each State, a result of the differences in the requirements of each State.

That is the first part of my reply.

Secondly, we must remember there are some States that do not have any requirements with respect to interstate movers. We did not feel we could put anything in the law which would require them to start making requirements for interstate movers, so we have had to leave that question open, in a sort of vacuum, knowing that, if they do make requirements, they will make them in conformity with the recommendations of the Interstate Commerce Commission.

Just one other matter. I think the Senator will be comforted by knowing that in the report, on page 4, is it stated:

> Section 1 is not designed to encourage States not now regulating interstate carriage to adopt new requirements.

We are seeking uniformity which we believe will be helpful to the movers as well as to other interstate motor carriers.

Mr. JAVITS. One more question. So I assume that legislative oversight will be actively exercised if there is any indication that this situation is moving out of control, or if the movers feel it is.

Mr. SMATHERS. The answer to the question is "Yes."

Mr. JAVITS. As the act phases in, is it the intention of the bill that the legislation of the individual States will phase out? In other words, will the States have the right to continue to regulate movers of household goods as to registration identification, insurance policies, and so forth, after this act takes effect? After this act takes effect, is it the legislative intent to provide uniform regulations with regard to filing in the States,

and to expect the States to provide uniform regulations?

Mr. SMATHERS. Naturally, we skirted the argument as to whether or not States did or did not have the authority to make regulations within the States with respect to interestate transportation. We did say, however, that within a 5-year period they would have to have their regulations, as they relate to interstate commerce, in conformity with the standards promulgated by the Interstate Commerce Commission, or else they would be null and void.

We want that. However, we did not feel it was the time to start an argument as to whether the States had the authority under the Constitution to do that.

Mr. JAVITS. This is my final question: We can say that the legislative intent is clearly to phase out the individual State regulations in this interstate commerce function by the expiration of the 5-year period.

Mr. SMATHERS. I would say, rather than phase them out, we are hoping we can phase them into a simple, uniform type of regulation which each carrier would know he was confronted with when he went through North Carolina, Maryland, New York, or Minnesota, for example.

Mr. JAVITS. I accept that suggestion—"phasing in" instead of "phasing out." But is that law rather than hope?

Mr. SMATHERS. That is the purpose of the bill.

Mr. JAVITS. And that is the law written into the bill?

Mr. SMATHERS. That is correct.

Mr. JAVITS. I thank the Senator.

Mr. BARTLETT. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield to the Senator from Alaska.

Mr. BARTLETT. Mr. President, the amendment which I earlier offered to S. 2560 would strike out a provision of the bill which would authorize the issuance to a motor common carrier of household goods of a permit to act also as a freight forwarder of household goods. The purpose is to prevent the holding of dual operating rights by the same corporation or firm. This is in line with the consistent policy of the Congress.

The bill removes the exemption now applicable to the forwarding of household goods and applies regulation to such activity. All persons who engage in such activity in the future would be required to obtain permits from the Interstate Commerce Commission. Under existing laws such permits could be granted to corporations controlled by motor or other carriers, but could not be issued directly to such carriers. The provision of the bill which my amendment would strike out makes an exception in the case of household goods forwarders, and would permit the issuance, directly to a motor carrier, of a permit to conduct forwarder operations.

The effect of this amendment would be to require any motor common carrier of household goods who desires to apply for a permit to operate as a freight forwarder of such goods to set up a separate corporation, so that the two activities would not be intermingled.

The historic reasons for prohibiting the holding of dual rights as both a motor carrier and a freight forwarder are sound and in the public interest. They are just as applicable in the case of household goods as in the case of any other commodity. If the same person or firm could hold rights both as a motor carrier and a forwarder the opportunities for discrimination would be plentiful and the Interstate Commerce Commission would be almost powerless to prevent such discrimination.

Under such a situation, the same company would have two sets of rates, rules, regulations, and practices. It could intermingle shipments moving in its motor carrier service with those moving in its freight forwarder service without the knowledge either of the shipping public or the Commission. It could charge its motor carrier rates for forwarder service or the reverse. It could charge different rates to different shippers for the same service.

This amendment merely applies the same rules to household goods forwarders as to other freight forwarders as regards dual operating rights.

Mr. President, it is my understanding that my amendment has been considered by the chairman of the subcommittee who is handling the bill, the distinguished Senator from Florida [Mr. SMATHERS], and that it is supported by the Interstate Commerce Commission.

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

Mr. BUTLER. Has the amendment been accepted?

Mr. SMATHERS. No.

Before I yield to the Senator from New York I wish to respond to the Senator from Alaska.

Mr. President, with respect to the amendment, there was considerable difficulty in drafting the language. There was much complaint and much diversity of opinion as to what ought to be done about the unregulated freight forwarders and the movers of used household goods, and as to how we should handle the problems and how we should separate them. We drafted proposed legislation which we thought, based on the testimony which was presented before the committee, most accurately reflected the views of those who testified. However, I knew that the able Senator from Alaska was to offer an amendment, so I called the Interstate Commerce Commission yesterday and asked them what they thought about the amendment which would be offered. They made the statement that they supported the amendment.

I shall not burden the Senate by reading exactly what they had to say, but they did support the amendment.

The last paragraph of the letter reads as follows:

> The reasons for not granting dual operating rights to motor and water carriers would appear to be equally applicable to this proposal. The Commission has determined that when common and contract carrier operations are conducted in the same territory and are competitive, if dual authority were granted, opportunities would be offered for undue preferences or advantages between shippers, and unfair or destructive competitive practices between carriers. Accordingly, it has been concluded in such circumstances that dual operations are not consistent with the public interest and the national transportation policy.
>
> For these reasons we are not in favor of the provisions of section 4(d) of Committee Print No. 4 of S. 2560, and recommend that it be stricken from the bill.

Mr. President, I ask unanimous consent to have the entire letter from Mr. Rupert L. Murphy and Mr. Everett Hutchinson printed at this point in the RECORD.

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

INTERSTATE COMMERCE COMMISSION,
Washington, D.C. June 28, 1962.

HON. GEORGE A. SMATHERS,
Chairman, Surface Transportation Subcommittee, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN SMATHERS: This is in response to your request by telephone for our position with respect to section 4(d) of S. 2560 in the event that an amendment is offered on the floor of the Senate to strike that section from the bill.

The mere fact that one entity would be authorized to operate both as a motor carrier and a forwarder would not necessarily result in violations of the act. It would mean, however, that to do so would practically invite unreasonable practices, and undue and unreasonable preferences or advantages which section 216(d) and sections 404 (a), (b), and (c) are designed to prevent. Such a carrier would be authorized to offer to the public two services for the movement of used household goods to and from the same points. On the other hand, the railroads, which operate freight forwarders as affiliates, would not be able to perform services in this manner, thus possibly also creating discrimination. Once a shipment was received, whether booked for motor or forwarder service, the motor carrier could move the shipment under either type of service with detection unlikely. In other words, shipments moving in the motor service and the forwarder service could be commingled, and it would be impossible to distinguish one from the other. This is true because being a motor common carrier it could act as the underlying carrier for forwarder shipments and, at the same time and in the same vehicle, transport shipments booked for motor service.

If the carrier's motor rights were less extensive than the nationwide forwarder rights proposed to be granted, it could accept a shipment to any point in the United States, transport it as an underlying carrier to the farthest point possible as a motor carrier, and then interchange it with another carrier for transportation beyond. In a sense, the right to engage in forwarding household goods would broaden a carrier's motor operations in that it could participate in movements not previously available to it.

The reasons for not granting dual operating rights to motor and water carriers would appear to be equally applicable to this proposal. The Commission has determined that when common and contract carrier operations are conducted in the same territory and are competitive, if dual authority were granted, opportunities would be offered for undue preferences or advantages between shippers, and unfair or destructive competitive practices between carriers. Accordingly, it has been concluded in such circumstances that dual operations are not consistent with

the public interest and the national transportation policy.

For these reasons we are not in favor of the provisions of section 4(d) of Committee Print No. 4 of S. 2560, and recommend that it be stricken from the bill.

Respectfully submitted.

RUPERT L. MURPHY,
Chairman, Committee on Legislation.
EVERETT HUTCHINSON.

Mr. SMATHERS. I say to the able Senator from Alaska [Mr. BARTLETT] that a number of people in my State of Florida like the provision now in the bill and, if they had an opportunity, they would object to accepting the amendment. However, in the belief that we still have a long way to go in the proceedings before the House and later on in the conference, and that the right solution has not yet been arrived at, I will recommend that the committee accept the amendment offered by the able Senator from Alaska.

Mr. BARTLETT. Mr. President, it is almost, but not quite, unnecessary for me to say that I warmly welcome the support given to my amendment by the Interstate Commerce Commission and particularly by the Senator from Florida within the boundaries he has described.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. KEATING. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 9, line 6, after the words "any motor carrier," it is proposed to insert the words "except motor common carriers of household goods."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. KEATING. Mr. President, I believe it would be fair to say that the hearings before our committee indicated that the movers of household goods felt themselves to be in a somewhat different category from many other movers. It has been represented to me by a number of them that they have a fear, which I share to some extent, that section 1 might permit unreasonably strict controls on household goods carriers. I recognize the fact that a moment ago the Senator said that the proposed legislation is in a rather early stage. It is a complicated subject. The hearings are complicated. They have not yet been printed. The House has not yet acted on the measure.

I would be very appreciative if the distinguished Senator from Florida would agree that, on page 9, line 6, after the words "any motor carrier," the words "except motor common carriers of household goods" be inserted. Perhaps that is not the proper way to approach the problem, but I think it is worthy of consideration.

I introduce this amendment at the request of the industry.

It would permit full discussion of the subject in conference. It may very well be that the House would see that some such provision is inserted in the bill anyway. But I would be grateful if the Senator should agree that the amendment could be taken to conference.

Mr. SMATHERS. Mr. President, in the light of the statement of the Senator from New York, and because his amendment is applicable only to section 1 of the bill, I accept it. We thought the benefits of section 1 would be helpful to interstate household goods movers. But if the Senator insists on his amendment, which he apparently does, we would be delighted to take it to conference and see what the conference does with it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. KEATING].

The amendment was agreed to.

Mr. BUTLER. Mr. President, the Committee on Commerce endeavors to give careful study to any legislative proposal it reports to the Senate, but it seems to me that exceptional efforts were made to get S. 2560 just right before sending it here for action. The bill went through four committee prints, each one being an improvement on the preceding, and each one resulting from painstaking study and criticism.

Notwithstanding the care with which the bill was prepared in committee, some still find parts of it objectionable. In particular, various persons engaged in the interstate moving of household goods are fearful of the provisions of section 1 of the bill. I would like to address myself briefly to that section in the hope that I can to some extent allay their fears.

The overriding purpose of S. 2560 is to strengthen common carriage by promoting effective enforcement of laws against illegal operation of motor carriers. One approach to this would be to build up a big Federal police force, but an approach more in consonance with our traditions is to enlist the help of the States. While it is true that Congress, and Congress alone, under the Constitution, has authority over interstate commerce, it is likewise true that the States have power over intrastate commerce. The powers of the States sometimes touch close to the area which Congress regulates.

For example, in the exercise of their own powers, a growing number of States have been requiring carriers to register with them the operating authority which they hold from the Interstate Commerce Commission. If a carrier has no authority from the ICC, he obviously cannot register it in the States in which he operates—and he can then be apprehended and prosecuted under State law for failure to register his operating authority. Admittedly, the requirement for registration is burdensome, and the burden multiplies by a factor as great as the number of States in which a particular carrier is required to register. The alternative, however, is to build up the mechanisms for Federal enforcement. In my judgment, this would prove far more burdensome in the end, not only for individual carriers but for individual taxpayers as well.

In drafting section 1 of the bill, our committee has sought to make the requirement for registrations as easy as possible. This effort is found in the language of the section requiring that the ICC, in developing its uniform standards with respect to registration of authority, with respect to identification of vehicles, or with respect to filing of documentary evidence of protection for the public, shall protect the carriers—and here I use the language of the bill—"from a duty to file or otherwise comply with State requirements that, in the opinion of the Commission, might constitute an undue burden, financial, administrative, or otherwise, on the operations of such carriers."

The people who object to section 1 of the bill likewise object to section 5. This is the section which authorizes the ICC to make cooperative agreements with the various States to enforce the economic and safety laws and regulations of the various States and the United States concerning highway transportation.

The answer to this objection is the same as I have already given with respect to section 1. If we are to have effective enforcement, we must choose between building a bigger Federal enforcement machine or making better use of the machinery already available in the Nation and in the States. I, for one, think we are all better off if we tie the States into this enforcement endeavor. But after doing so, the Congress must be alert for complaints of unfair harassment. I think that the powers given to the ICC to review its uniform standards, and its power to seek modifications of its enforcement agreements with the States, are ample to dispose of such complaints administratively. For these reasons, I think it unfortunate that the bill has been amended here on the floor to exclude from section 1 motor common carriers of household goods. In my judgment, the amendment will not have the effect intended and will have to be stricken during the later progress of this legislation.

Mr. SMATHERS. Mr. President, the able Senator from Maryland was not present in the Chamber when I was thanking and commending the many Senators who have so diligently helped us to work out a bill which I know is in the public interest and to the great benefit of the transportation industry. At that time I failed to mention the very splendid contribution made by the able Senator from Maryland. He has long been interested in the subject of transportation. People sometimes say that he is mostly interested in the maritime part of the transportation field, but I would testify that in this particular respect he has shown great knowledge of and attention to the problems of the motor carriers as well as those of the railway industry. He was most helpful in the formulation of the bill.

Mr. BUTLER. Mr. President, I thank the Senator from Florida for his kind words.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will report the amendment.

The LEGISLATIVE CLERK. On page 12, beginning on line 4, it is proposed to strike out all of section 2.

Mr. BUSH. Mr. President, if I may have the attention of the distinguished Senator from Florida and the distinguished Senator from Maryland, particularly, I should like to say that I offer the amendment because of the fears of cooperative shippers, notably at least one in the State of Connecticut, known as the Charter Oak Shippers Association, that the language which I have moved to delete would invite suits which would have a harassing effect on the less-than-carload shippers.

They do not feel that the provision is a necessary one and that it might also be harmful to them. They are operating quite within the law, and there should be no reason to bring these suits, but nevertheless they are fearful that they might be brought as a harassing measure by competition. Competition is very severe among these many shippers.

The shippers' associations are made up of less-than-carload shippers, who bring their shipments to a focal point and there assemble a carload lot. The carload lot then gets the carload rate, which is substantially less than the less-than-carload rate. It improves their competitive position. It is a benefit to the consumers, because it holds costs down, and it is a benefit to the consumers all over the United States, because the manufacturers in our State ship their goods literally all over the United States. It therefore improves the situation of the consumers all over the country.

I have various letters which indicate the apprehension that these shippers have on this issue.

I ask the distinguished Senator from Florida if he will not accept the amendment, because it seems quite unnecessary to have the language in the bill.

Mr. SMATHERS. Mr. President, the problem which the Senator from Connecticut has so ably outlined is one which was presented in testimony before the committee. It was the committee's view that we had so tailored the bill that there would not be the great danger which has been expressed on the part of shipper cooperatives. It was not felt that they would be harassed unnecessarily by improper suits.

If the Senator will examine the language of the bill, he will see that the committee has only authorized an injured individual to bring a suit under limited circumstances against an unlawful carrier, that is, one who has no certificate and one who is also patently operating illegally.

We felt that because under the provisions of other parts of the Commerce Act—part I, part III, and part IV—individuals are entitled to protect themselves. Yet under part II of the Motor Carrier Act, at no time have motor carrier operators ever been given the right to protect themselves, with the result that they have had to wait upon the action of the Commission. And the Commission, in most instances, has had to wait upon the action of the U.S. attorney or the Department of Justice. That is why such a large number of illegal carriers are operating today. There is really no practical way for a person who has a certificate to protect himself under the existing terms of the act. The alternative would be to build up in the Commission a giant Federal police force, which would require the employment of 6,000 or 7,000 additional investigators to handle these problems. That we do not wish to do.

So it was the judgment of the committee that the best way to proceed was to allow an individual who was injured by a patently unlawful act of an illegal operator to proceed with a court action. In order to protect against harassment, we have provided that the Commission must be notified of the proceeding. The Commission, then, may intervene as a matter of right and may recommend that the suit be dismissed without prejudice to either party. The Commission may stay out of the suit. In addition the judge shall require the party seeking the injunctive relief to post a bond in an amount to be fixed by the court, so as to protect the person against whom the suit has been brought, in the event the suit was for harassing purposes only. Also, the court may require the person who seeks the injunction to pay the court costs and reasonable attorney fees of the defendant if the action is later proved to be unwarranted by the facts and circumstances.

The committee felt that with these restrictions, limitations, and prohibitions, there would not be a large number of uncalled for suits.

I understand the concern of the people who are engaged in this business in the State represented by the distinguished senior Senator from Connecticut; but it is not believed that there will be any great amount of harassment, or that this provision of the bill will be improperly used.

Furthermore, as I said to the Senator from New York [Mr. KEATING] a moment ago, if at a subsequent time it appears that these provisions are being improperly used, it will certainly be the intention of the subcommittee to propose a change in the law to remedy the situation, because we do not wish to have harassment of legal and proper shippers or carriers.

Mr. BUSH. I thank the Senator from Florida for his assurances. I take it the Senator agrees with me that this type of cooperative effort to reduce the costs of shipping is to be encouraged, not obstructed, by the law.

Mr. SMATHERS. Yes. I think it is a proper business and a recognized one.

Mr. BUSH. It is also for the benefit of consumers, because it serves to reduce the cost of goods.

I thank the Senator from Florida for his assurances. I understand him to say that the committee considers itself a committee of oversight with respect to this type of legislation and will seek to make certain that abuses will not take place as a result of the section of the bill which I have moved to strike.

Mr. SMATHERS. The Senator is correct. We would certainly not tolerate any abuse. With these assurances, we would appreciate it if the Senator would withdraw his amendment.

Mr. BUSH. Mr. President, with the assurances I have received from the able Senator from Florida, and also from the able Senator from Maryland [Mr. BUTLER], with whom I discussed this problem earlier, I shall withdraw the amendment. Anyway, I do not think I have the votes to have it adopted. Nevertheless, I am very much comforted and fortified by the assurances which the Senator from Florida has given. I appreciate his statement.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2560) was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BUTLER. Mr. President, I move that the Senate proceed to consider executive business in order to consider, out of order, a nomination from the Committee on Commerce.

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

FEDERAL MARITIME COMMISSION

Mr. BUTLER. Mr. President, from the Committee on Commerce, on behalf of the Senator from Washington [Mr. MAGNUSON] I report favorably the nomination of John S. Patterson, of Maryland, to be a Federal Maritime Commissioner for the term expiring June 30, 1966, and ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of John S. Patterson, to be a Maritime Commissioner.

The PRESIDING OFFICER. Is there objection to the present consideration of the nomination?

There being no objection, the Senate proceeded to consider the nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of John S. Patterson, of Maryland, to be a Federal Maritime Commissioner?

The nomination was confirmed.

Mr. BUTLER. I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

Mr. BUTLER. Mr. President, before we close the door behind us on this nomination, I want to say a few words of protest against the shocking delay of the White House in sending the nomination to us.

Mr. John S. Patterson, the nominee, was serving a term created by the President's own reorganization plan—No. 7 of 1961. The plan specified a definite initial term for each member of the Federal Maritime Commission and did not permit any holding over after expiration of the term. Mr. Patterson's term was limited to expire tomorrow, June 30, 1962.

Mr. President, it seems to me that the inordinate and unexplained delay in sending this nomination to us shows a callous disregard of the feelings of the incumbent and makes a mockery of the confirmation powers of the Senate. With this nomination coming to us just today, and with the plans of the leadership already announced for the Senate not to be in session tomorrow, we are given the choice of rushing the nomination through pellmell or permitting a hiatus in the membership of the Federal Maritime Commission.

Fortunately, our committee had the same nominee before it only last February 8, and fortunately, also, Chairman MAGNUSON laid plans for dealing rapidly with this nomination. Had this not been done, the nominee would have been embarrassed and the Federal Maritime Commission left understrength, even though briefly.

If this were an isolated instance, there would be no reason to complain. However, the nomination of Harold C. Woodward came to us only 3 days before his term on the Federal Power Commission was to expire, and the nomination of whoever is to sit on the Federal Communications Commission where John S. Cross now sits has not yet reached us. That term expires tomorrow. Fortunately, the incumbent is permitted to hold over until his successor qualifies or until he, himself, is renominated.

I have no reason to doubt that the President has known all the facts about the expiration dates of these offices. As a matter of fact, I have known of some special efforts that were made to insure that he knew. However, to be on the safe side, I think it well to point out to him that he should begin thinking about the following terms that are going to expire either before or shortly after this session of the Congress itself expires:

Ira Dixon, member of Federal Home Loan Bank Board, tomorrow, June 30, 1962.

William C. Kern, Federal Trade Commissioner, September 25, 1962.

Alan S. Boyd, Chairman of the Civil Aeronautics Board, December 31, 1962.

Donald P. MacPherson, Interstate Commerce Commission, December 31, 1962.

I want to point out as well that Allen J. Overton resigned from the Tariff Commission in advance of expiration of his term, which would have expired on June 16, 1962. That vacancy has not been filled.

We can only speculate on the reasons the President might have for delaying in filling nominations. I am afraid more and more people will begin to speculate on the reasons if the White House does not expedite its handling of these matters.

LEGISLATIVE SESSION

Mr. BUTLER. I move that the Senate proceed to the consideration of legislative business.

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

EXTENSION OF RENEGOTIATION ACT OF 1951

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1627, H.R. 12061.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12061) to extend the Renegotiation Act of 1951.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Finance with amendments on page 1, after line 6, to insert a new section, as follows:

SEC. 2. Section 104 of the Renegotiation Act of 1951 (50 U.S.C App., sec. 1214) is amended by adding at the end thereof the following new sentences: "No provision limiting the amount of profits shall be inserted by the Secretary of any department in any contract or subcontract the receipts or accruals from which are subject to this title, or would be subject to this title except for the provisions of section 106, other than the provision required by the first sentence of this section; and any such other provision in (i) any such contract or subcontract entered into on or after the date of the enactment of this sentence, or (ii) any such contract or subcontract entered into before the date of the enactment of this sentence with respect to which final settlement has not been made as of such date, shall have no force or effect. The preceding sentence shall not apply to any incentive provision, to any provision for redetermination or similar revision of the contract price, or to any provision for price escalation which operates without regard to the amount of profits under the contract or subcontract."

On page 2, after line 14, to insert a new section, as follows:

SEC. 3. Paragraphs (4) and (5) of section 106(e) of the Renegotiation Act of 1951, as amended (50 U.S.C. App., sec. 1216(e) (4) and (5)), are amended as follows:

(1) paragraph (4)(B)(i) is amended by inserting "or lease" after "sale";

(2) paragraph (4)(B)(ii) is amended by inserting "or leases" after "sales";

(3) paragraph (4)(C)(i) is amended by inserting "or leases" after "sales";

(4) paragraph (4)(C)(ii) is amended by inserting "or leased" after "sold";

(5) paragraph (4)(C)(iii) is amended by inserting "or leases" after "sales" each place it appears therein;

(6) paragraph (4)(G)(i) is amended by inserting "or lease" after "sale";

(7) paragraph (4)(G)(iii) is amended by inserting "or leased" after "sold";

(8) paragraph (4)(G)(iv) is amended by inserting "or leases" after "sales"; and

(9) paragraph (5) is amended by inserting "or leases" after "sales" each place it appears therein.

On page 3, after line 10, to insert a new section, as follows:

SEC. 4. (a) Section 108A of the Renegotiation Act of 1951, as amended (50 U.S.C. App., sec. 1218A), is amended to read as follows:

"SEC. 108A. REVIEW OF TAX COURT DECISIONS IN RENEGOTIATION CASES.

"(a) JURISDICTION.—The United States Courts of Appeals shall have exclusive jurisdiction to review decisions by the Tax Court of the United States under section 108 of this Act in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury, except as otherwise provided in this section. In no case shall the question of the existence of excessive profits, or the extent thereof, be reviewed, and findings of fact by the Tax Court shall be conclusive unless such findings are arbitrary or capricious. The judgment of any such court shall be final except that it shall be subject to review, under the limitations herein provided for, by the Supreme Court of the United States upon certiorari, in the manner provided in section 1254 of title 28 of the United States Code.

"(b) POWERS.—Upon such review, such courts shall have only the power to affirm the decision of the Tax Court or to reverse such decision on questions of law and remand the case for such further action as justice may require, except that such court shall not reverse and remand the case for error of law which is immaterial to the decision of the Tax Court.

"(c) VENUE OF APPEALS FOR TAX COURT DECISIONS IN RENEGOTIATION CASES.—A decision of the Tax Court of the United States under section 108 of this Act may, to the extent subject to review, be reviewed by—

"(1) the United States Court of Appeals for the circuit in which is located the office to which the contractor or subcontractor made his Federal income tax return for the taxable year which corresponds to the fiscal year with respect to which such decision of the Tax Court was made, or if no such return was made for such taxable year, then by the United States Court of Appeals for the District of Columbia, or

"(2) any United States Court of Appeals designated by the Attorney General and the contractor or subcontractor by stipulation in writing."

(b) The second sentence of section 108 of such Act is amended to read as follows: "Upon such filing, such court shall have exclusive jurisdiction, by order, to determine the amount, if any, of such excessive profits received or accrued by the contractor or subcontractor, and such determination shall not be reviewed or redetermined by any court or agency except as provided in section 108A."

(c) Section 105(b)(2) of such Act is amended by striking out the last sentence thereof.

(d) The amendments made by this section shall apply only with respect to cases in which the petition for redetermination is filed with the Tax Court of the United States after the date of the enactment of this Act.

Mr. SMATHERS. Mr. President, I understand that certain Senators wish to be notified that the bill has been taken up. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY HON. DR. RAFAEL CALDERA

Mr. MORSE. Mr. President, this afternoon it is my privilege to introduce to the Senate an honored and distinguished visitor who was the guest, this noon, at luncheon, of the Senate Foreign Relations Committee. This statesman from Venezuela was a candidate for the presidency of Venezuela in 1947 and in 1958. He had been president of the House of Deputies of the Venezuelan Parliament, and he is now a member of that branch of the Venezuelan Parliament. He is a professor at the Central University of Venezuela, and is one of the noted authors of Venezuela, particularly in the field of labor economics. Dr. Caldera is one of the great friends of the United States, let me say in my capacity as chairman of the Subcommittee on Latin American Affairs; and the Senator from Vermont [Mr. AIKEN], who now is on the floor with me, will verify my statement when I report to the Senate that when the members of our subcommittee go to Venezuela, as we frequently do, for meetings with members of the Venezuelan Parliament and the executive branch of the Venezuelan Government, Dr. Caldera, our distinguished guest today, is of very great help to us on all occasions.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement setting forth pertinent biographical information concerning our distinguished visitor from Venezuela, who not only is a great statesman of that country, but, in my judgment, is also one of the truly outstanding statesmen of all of Latin America.

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

Name: Dr. Rafael Caldera.

Present positions: General secretary of Social Christian Party (COPEI), Member of the Chamber of Deputies.

Personal data:

Born: June 24, 1916, in San Felipe, Estado Yaracuy, Venezuela.

Home address: Quinta Punto Fijo, 2a Calle Delicias de Sabana Grande, Caracas, Venezuela.

Mailing address: Aptdo 2060, Caracas, Venezuela.

Academic training: Central University of Venezuela, doctor of political sciences and law degree, 1939.

Knowledge of English: Good.

Past positions: Presidential candidate, 1947, 1958; President of the Chamber of Deputies, 1961; Sub-Director of the National Labor Office, 1936–38; Venezuela correspondent of the International Labor Office, 1937–38; professor at Central University of Venezuela, 1943.

Membership: Inter-American Seminar of Sociological Study; Inter-American Bar Association; Mexican Academy of Labor and Social Welfare; Latin American Association of Sociology; Peruvian Institute of Sociology.

Publications: Labor Law, 1939; Renaissance of Labor, 1942; Juridical Sociology, 1943; Social Law and Labor Legislation, 1947.

Travels: Visits to the United States in 1941, 1942, 1944–45, 1950, 1958, and 1959.

Interests and objectives of visit to the United States: Dr. Caldera is interested in meeting with U.S. Government officials, Members of Congress, and labor leaders. Dr. Caldera will participate in the colloquium on Latin America, "Latin American Problems and Prospects," at Georgetown University and will speak on "Latin America: Present Problems and Future Prospects."

Mr. MORSE. So, Mr. President, it is with great pleasure that I present to the Senate, this afternoon, as now the guest of the Senate also, as well as a guest of the Senate Foreign Relations Committee, Dr. Rafael Caldera.

[Applause, Senators rising.]

Mr. AIKEN. Mr. President, let me add my word of greeting to Dr. Caldera. As the Senator from Oregon has explained, Dr. Caldera is not only well versed in what we in the United States are doing, and not only has he cooperated greatly in our mutual programs, but he is also one of the very important people in the Government of Venezuela.

Also, Mr. President, Dr. Caldera likes to work. I found that out when I visited Venezuela several years ago; and, in going to the Capitol, I believe I met Dr. Caldera at 9 o'clock in the morning, and found that he had already done a day's work at the university, having classes there at 7 a.m., before he started to put in a full day of work for the Government.

So long as there are men like Dr. Caldera in the Western Hemisphere there is great hope for the future.

I also welcome Dr. Perez, who is the right-hand man at the Venezuelan Embassy here in Washington.

I understand that Dr. Caldera's stay in the United States will be brief, in order that he may get back home to be there during the closing days of their Congress.

I think it would be very nice if we could emulate the Venezuelan Congress and go home ourselves after we have been here a respectable length of time. Perhaps he can give us his secret on how to get our work done and adjourn Congress. I certainly hope he can. But I do want to add my word of welcome.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6682) to provide for the exemption of fowling nets from duty, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. KING of California, Mr. O'BRIEN of Illinois, Mr. MASON, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 11221) to amend section 302 of the Career Compensation Act of 1949, as amended (37 U.S.C. 252), to increase the basic allowance for quarters of members of the uniformed services and to make permanent the Dependents Assistance Act of 1950, as amended (50 App. U.S.C. 2201 et seq.), and for other purposes.

The message further announced that the House had passed a bill (H.R. 12180) to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12180) to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, was read twice by its title and referred to the Committee on Finance.

EXTENSION OF RENEGOTIATION ACT OF 1951

The Senate resumed the consideration of the bill (H.R. 12061) to extend the Renegotiation Act of 1951.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 1, after line 6.

Mr. TALMADGE. Mr. President, the Renegotiation Act of 1951, which authorizes the Government to recapture excessive profits on certain Government contracts, is scheduled to expire as of tomorrow, June 30, 1962. The bill, H.R. 12061, as reported by the Committee on Finance extends the act for 2 years—that is, until June 30, 1964—which is the period of extension as provided in the bill as it passed the House.

The present defense procurement program involves the expenditures of large sums of money for the purchase of many different types of weapons and related materials. The Renegotiation Board has estimated that national defense expenditures will aggregate approximately $46.8 billion for the fiscal year 1962 and that such expenditures will be at least as great or greater for the fiscal year 1963. The defense procurement program requires the procurement of many highly specialized items as to which past production and cost experience is not always available for forecasting accurately the cost of such items. The Renegotiation Act provides one technique for eliminating excessive profits under contracts for the procurement of such items. For these reasons, your committee concluded that the Renegotiation Act must be extended.

The bill as reported by the committee would extend the act for 2 years as was the case in the bill as passed by the House. Although the Renegotiation Board originally recommended that the act be extended for 4 years, the Joint Committee on Internal Revenue Taxation, after having a careful study made

of the act, recommended that it be extended for only 2 years. It has been pointed out that the newly constituted Renegotiation Board is now conducting a reexamination of the renegotiation process and that other departments in the administration are reviewing certain renegotiation matters with which they are concerned. Under these circumstances, your committee believed that the act should be extended for only 2 years.

The bill also makes certain other amendments to the act. One of these amendments prohibits the departments from inserting certain profit limitation provisions in contracts; another makes the standard commercial article exemption—and the related exemptions for like articles and for classes of articles—applicable to receipts or accruals from leases; and another amendment broadens the scope of appellate review of Tax Court decisions in renegotiation cases. These amendments are explained in the report of the committee.

I send to the desk a series of technical clerical and perfecting amendments to the committee amendment and ask for their immediate consideration.

The PRESIDING OFFICER (Mr. METCALF in the chair). The first amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after "1951" insert ", as amended".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 8, after "1214)", insert a comma.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 15, after "SEC. 3." insert "(a)".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment will be stated.

The LEGISLATIVE CLERK. On page 3, after line 10, insert the following:

(b) The amendments made by subsection (a) shall apply only with respect to fiscal years (as defined in section 103(h) of such Act) ending after June 30, 1962.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 12, strike out "1218A" and insert "1218a".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 16, strike out "The" and insert "Except as provided in section 1254 of title 28 of the United States Code, the".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 11, strike out "for" and insert "from".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The committee amendment is open to further amendment. If there be no further amendment——

Mr. DOUGLAS. Mr. President, the committee amendment has not been adopted yet; has it?

The PRESIDING OFFICER. The committee amendment has not been adopted. If it had been, it would not be open to amendment.

Mr. DOUGLAS. What is the question before the Senate?

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. GORE. Mr. President——

Mr. TALMADGE. Mr. President, a parliamentary inquiry. Have the technical amendments been agreed to?

The PRESIDING OFFICER. All the technical amendments offered by the Senator from Georgia have been agreed to.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. GORE. The pending committee amendment is the one which begins on line 7 of page 1 and concludes on page 2 with line 14. Is that correct?

The PRESIDING OFFICER. No. It goes clear through line 13 on page 5.

Mr. GORE. A parliamentary inquiry. Is it in order to request a division of the question, since three distinct questions are dealt with by the amendment?

The PRESIDING OFFICER. The Senator may request a division.

Mr. GORE. By unanimous consent, or is it within the right of a Member of the Senate to demand a division?

The PRESIDING OFFICER. The Senator has a right to demand a division.

Mr. GORE. I respectfully demand a division on the question.

The PRESIDING OFFICER. Which part?

Mr. GORE. Mr. President, there are 3 distinct subject matters dealt with by the committee amendment, and I am quite confident that the junior Senator from Georgia will agree with this point of view.

The first question is contained in the committee amendment beginning on line 7, page 1, through and inclusive of line 14 on page 2.

The second separate subject matter begins on line 15 of page 2, and runs through and inclusive of line 13 on page 3.

The third subject matter begins on line 14, page 3, and runs through and inclusive of line 13 on page 5.

I demand a division in that order.

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

Mr. GORE. I yield.

Mr. BUTLER. I think there is a technical correction to be made to the Senator's statement. The second amendment begins at line 15 of page 2 and goes through line 10 of page 3.

Mr. GORE. The Senator is correct. I stand corrected, Mr. President.

My demand for a division would specifically exclude the technical committee amendments which have already been agreed to.

Mr. BUTLER. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. BUTLER. Is it the Senator's intention to move that the amendments be stricken seriatim?

Mr. GORE. No; this would mean that they would have to be offered seriatim and voted up or down.

The PRESIDING OFFICER. The question, then, is on agreeing to the amendment beginning on line 7, page 1, and ending on line 14, page 2.

Mr. GORE. Mr. President, this amendment, proposed in the committee by the distinguished senior Senator from Maryland [Mr. BUTLER], represents, in my opinion, unsound public policy, and it would be unwise for the Senate to adopt it. It would be unwise, I believe, because the adoption of the amendment would be contrary to the public interest.

Mr. President, the presentation of my point of view will require only a few minutes.

The Senator from Maryland has proposed by the amendment to prohibit agencies of the U.S. Government from including in contracts with private concerns a limitation on profits.

Mr. President, every agency of the Government that has authority to enter into contracts has authority, unless prohibited from so doing by specific statute, to include in the contract a limitation on profits. If the Congress must deal with this subject matter, it would seem to me that the public interest would be better protected if the Congress should require every agency of the Government to enter into contractual relationships on the basis of a limitation on profit.

The Navy Department and the Maritime Commission customarily have inserted in their contracts a provision for a limitation on profits. No contractor need sign such a contract. It is not compulsory that private corporations enter into contracts with the U.S. Government.

The Navy and the Maritime Commission have customarily required a provision in their contracts fixing a limitation on profits. What is wrong with that?

I should say that if there is any error committed it is that the profit limitation is too high. We must remember, Mr. President, that the overwhelming majority of contracts into which the Government now enters, particularly defense contracts, are on a cost-plus arrangement of some sort. Generally now they are on a cost-plus-fixed-fee basis. In case there is a contract on a competitive bid basis, there may be only a few bidders. By whatever means a contract may be obtained, it seems to me that a 10 percent profit limitation is overly generous.

Mr. President, why should the Senate now agree to an amendment prohibiting a limitation on profits provision in a contract? I know of no satisfactory answer to that question. It will be interesting to see the reason which the advocates of the amendment will use to justify it.

Contracts are often for very large dollar amounts, and the tendency is for the magnitude of the contracts to increase.

A contract between the Navy and a defense contractor, I think with propriety, can contain a provision limiting the profits which the contractor can earn under that contract.

This is not my proposal. The Navy Department takes the same view. The Navy Department customarily has had a limitation on profits in its contracts. The Maritime Commission has followed this custom. It has saved the taxpayers money.

It is now proposed that the Senate approve an amendment prohibiting the inclusion in a contract of a provision which would limit profits. I ask the Senate to consider this. It seems to me it would be most ill-advised, and distinctly contrary to the public interest, to deny to government agencies the right to protect the public interest, the taxpayers' money, with a provision limiting profits under a contract.

Mr. President, we are today operating in new fields. We are sailing in uncharted seas—the development of ballistic missiles, various kinds of fuses, electronic devices, and other complicated and technical devices. The costs cannot be accurately foreseen. When we are contracting in this manner, dealing in very large sums, what is wrong with protecting the taxpayers' interest by including in the contract a limitation on profits? It is really beyond my comprehension why the Senate should adopt such an amendment.

I hope the Senate will not do so.

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

Mr. GORE. I yield.

Mr. DOUGLAS. Is it not true that there were no public hearings on the amendment or the other two amendments in question?

Mr. GORE. There were no public hearings I do not know that there has ever been a public hearing. There certainly was no public hearing this year before the Senate Finance Committee.

Mr. DOUGLAS. Is it not true that the proposal was advanced by members of the Finance Committee in executive session, and that the following day representatives of the Government were invited in to reply, but there was no public hearing as such?

Mr. GORE. There was no public hearing.

Mr. DOUGLAS. I thank the Senator.

Mr BUTLER. Mr. President, the purpose of the amendment is quite simple. It is designed to prevent certain Government agencies from employing certain nonstatutory profit limitations of license which would completely undermine the object of the Renegotiation Act of 1951.

The history of the amendment, briefly, is as follows: The amendment was brought before the Committee on Finance in 1959. At that time the committee studied the amendment and agreed to it. The bill, as amended, was reported to the Senate, and the Senate passed the bill. The bill then went to the House of Representatives, and the House objected to the amendment.

Conferees were appointed. During the meeting of the committee on conference, this amendment was put aside without prejudice by the conferees and was sent to the Joint Committee on Income Taxation for hearings, study, and report. It was to be reported back to the Senate Committee on Finance and to the House committee.

When the investigation had been completed by the Joint Committee on Income Taxation, the committee reported that the practice which the amendment sought to prevent was in derogation of the express language of the Renegotiation Act, and recommended that the amendment be agreed to.

The next opportunity to present the amendment occurred when the bill was brought before the Committee on Finance. At that time the Senator from Maryland submitted the amendment. It was considered by the committee and was again adopted.

The Senator from Tennessee has asked why we should not have these clauses for profit limitation in procurement contracts. A history of the Renegotiation Act will answer that question. When the Renegotiation Act was passed in 1951 the Congress in its wisdom suspended the provisions of the Vinson-Trammell Act, which was a profit limitation act, because it would have been useless to have a Renegotiation Act and at the same time permit every one of the departments of the Government to renegotiate their own contracts. That is precisely what is happening in the cases of the Department of the Navy and the Maritime Administration. There were certain nonstatutory and unauthorized limitations——

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

Mr. BUTLER. I am happy to yield.

Mr. GORE. I do not understand the meaning of the term "nonstatutory."

Mr. BUTLER. I can very quickly answer that question by saying that there is no statutory authority for putting such a provision or limitation in a Government contract. The Congress has suspended the operation of the Vinson-Trammell Act in order to be sure that no such provision will be put in a contract. I should say that renders it rather nonstatutory.

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

Mr. BUTLER. I yield.

Mr. GORE. Neither the Navy Department nor the Maritime Commission agrees with the point of view of the distinguished Senator. The power or authority to enter into a contract carries with it the authority to include a profit limitation provision in the contract.

Mr. BUTLER. Yes. I should like to proceed now with my statement.

When the Congress passes a renegotiation act under which contractors are subject to renegotiation, it would be unfair to make them renegotiate their contract twice—once by the Department and once by the renegotiation board. The provisions of the limitations employed by the Department of Defense or the Navy Department and the Maritime Administration are nonstatutory because there is no statutory authority for their doing so.

When their representative was before us yesterday, the Senator from Tennessee asked that very question with reference to the authority by which the action was taken. The representative said, "We do not have authority." They simply go ahead and do it.

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

Mr. BUTLER. The Senator can put his construction on what the witness said, and I shall put my construction on his statement. I should like to complete my statement before I yield.

Mr. GORE. Mr. President, the Senator has misstated what the representative said.

Mr. BUTLER. What did he say?

Mr. GORE. First, I said, "The authority of the Maritime Commission to enter into such a contractual provision has been questioned. By what authority does the Maritime Commission have such a provision in its contract?"

His answer was, "By authority to enter into contracts."

Mr. BUTLER. Yes. Mr. President, if that is true, and the construction of the Maritime Administration is true, every government agency, in the teeth of suspension of the operation of the Vinson-Trammell Act during the effective period of the Renegotiation Act, has a right to do the same thing that the Department of the Navy and the Maritime Administration are doing. The will of Congress as expressed through the suspension of the Vinson-Trammell Act should not be disregarded by an agency of the Government. The amendment agreed to by the committee has gone through the purifying process not only of the Senate committee, but the Senate itself, and the Joint Committee on Income Taxation. It is a good amendment and should be agreed to.

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

Mr. BUTLER. I yield.

Mr. GORE. The suspension of a requirement is in no sense tantamount to a prohibition. It seems to me that the error in the Senator's logic lies in the attempt so to construe it. If the distinguished senior Senator from Maryland is correct in his statement that neither the Navy Department nor the Maritime Commission has authority to make such a contract, that contractual provision would be null and void. Indeed, the Senator stands corrected by his very amendment. He wishes to prohibit such a provision because such a provision would now be effective if included in the contract. If it were now illegal, it could not be enforced.

Mr. BUTLER. Mr. President, I have the floor. I very politely yielded to the Senator from Tennessee for a question. I did not yield for a long oration. If the Senator wishes to discuss the fine legal points and say that after the Congress suspends the operation of a law, a department of the Government has the right to disregard that suspension and still carry out the provision of that law, he does not belong to the same Government to which I belong.

Mr. GORE. Mr. President, I thank the Senator for yielding and I apologize for trespassing upon his time.

Mr. BUTLER. I do not mind the trespass upon my time, so long as the Senator confines himself to questions rather than speaking generally on my time.

Mr. GORE. I thank the Senator. I understood it was he who raised the question of the legality of this provision in a Government contract, but I shall desist and listen to the Senator with interest.

Mr. BUTLER. I shall read to the Senate, in a moment, the language of the Joint Committee on Internal Revenue Taxation, in which it is stated that such a practice as is now being engaged in, and which the pending amendment would prevent, was in direct contravention of the Renegotiation Act of 1951.

The salient points that I would like to make are these: It has been objected, in the minority view, that these amendments may have some effect on the reexamination of the renegotiation procedure which the renegotiation board is now carrying on. That objection, stated in the minority view, could not apply in connection with the pending amendment, because the amendment has nothing whatever to do with the study now being carried on.

In addition to that, the amendment is not a change of substantive law. It does not change the procedures. It does not change the Renegotiation Act in any particular. It does say to the departments of Government who are putting these nonstatutory profit limitation provisions in the contracts that that is the duty of the renegotiation board, and not their duty; that it is unjust to discriminate against a small segment of defense suppliers and to say to them:

> You must be renegotiated not only under the Renegotiation Act, but you must also be renegotiated in the department that lets the contract.

The amendment should be adopted.

I should like to read into the RECORD at this point an excerpt from the report of the Joint Committee on Internal Revenue Taxation, which was filed after the committee examined the question and after consultation with the Department of the Navy and the Maritime Commission. It reads:

> It is evident that the procurement agencies have been using and desire to continue to use these nonstatutory profit limitations to achieve results which are precisely those which it is the policy of the Renegotiation Act to prevent.

That is not my statement. That is the statement of the Joint Committee on Internal Revenue Taxation, made after a careful study of the problem. It points up the argument that I have made. The Renegotiation Act was enacted for the purpose of having the renegotiation board renegotiate contracts. The Vinson-Trammell Act was enacted for the purpose of preventing renegotiation within the departments, and assigning that duty to the renegotiation board, where it belongs. We find that there are still departments and agencies of government, in violation of the suspension of the provisions of the Vinson-Trammell Act, inserting these profit limitation provisions in their contracts, with the result that American citizens are being renegotiated, at added great expense and at great delay in receiving just compensation for the work they are doing for the U.S. Government.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment, on page 1.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and the following Senators answered to their names:

[No. 105 Leg.]

Aiken	Fong	Mundt
Allott	Fulbright	Muskie
Anderson	Gore	Neuberger
Bartlett	Hart	Pastore
Bennett	Hartke	Pell
Bible	Hayden	Prouty
Boggs	Hickenlooper	Proxmire
Bush	Hickey	Randolph
Butler	Hill	Robertson
Byrd, Va.	Holland	Russell
Byrd, W. Va.	Humphrey	Saltonstall
Capehart	Jackson	Scott
Carroll	Javits	Smathers
Case	Johnston	Smith, Mass.
Church	Keating	Smith, Maine
Clark	Long, Hawaii	Sparkman
Cooper	Long, La.	Stennis
Cotton	McCarthy	Symington
Curtis	McClellan	Talmadge
Dirksen	McGee	Thurmond
Douglas	Metcalf	Tower
Dworshak	Miller	Williams, N.J.
Eastland	Monroney	Williams, Del.
Ellender	Morse	Young, N. Dak.
Ervin	Moss	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Michigan [Mr. McNAMARA], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], the Senator from New Hampshire [Mr. MURPHY], and the Senator from Wisconsin [Mr. WILEY] are necessarily absent.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). A quorum is present.

Mr. GORE. Madam President——

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BUTLER. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. BUTLER. Will the Senator permit me to ask for the yeas and nays?

Mr. GORE. I yield for that purpose.

Mr. BUTLER. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. GORE. Madam President, I regret that I felt it necessary to suggest the absence of a quorum. However, this is a very important amendment. It is an amendment which is opposed by the administration. In my opinion, the amendment is starkly opposed to and contrary to the public interest.

Mr. BUTLER. Madam President, will the Senator yield?

Mr. GORE. What is the amendment?

Mr. BUTLER. Madam President, will the Senator yield?

Mr. GORE. Let me first read the amendment.

If the Members of the Senate will obtain copies of the bill—and I appreciate the fact that several Senators are now in the Chamber—the amendment begins on line 9 of page 1 with the quotation marks. I read the amendment:

> No provision limiting the amount of profits shall be inserted by the Secretary of any department in any contract or subcontract the receipts or accruals from which are subject to this title, or would be subject to this title except for the provisions of section 106, other than the provision required by the first sentence of this section; and any such other provision in (i) any such contract or subcontract entered into on or after the date of the enactment of this sentence, or (ii) any such contract or subcontract entered into before the date of the enactment of this sentence with respect to which final settlement has not been made as of such date, shall have no force or effect. The preceding sentence shall not apply to any incentive provision, to any provision for redetermination or similar revision of the contract price, or to any provision for price escalation which operates without regard to the amount of profits under the contract or subcontract.

Madam President, a yea and nay vote has been ordered, upon request of the senior Senator from Maryland. The Senate will have a simple choice to make. Those in favor of excess profits will vote "yea." Those who want to prohibit the Secretary of any Department from inserting a limitation on profits in any contract or subcontract will vote "yea."

That is what the amendment provides. Seldom has an issue so simple and clear-cut come before the Senate.

Mr. BUTLER. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. BUTLER. I think the Senator has made a very grave implication not only against me but also against the Committee on Finance. If the Senator will take the trouble to read the amendment which the committee has adopted, which is now the pending question before this body, he will see that every contract will be renegotiated under the provisions of the Renegotiation Act, and that there will not be some fellow in a department which gives a contract doing the renegotiating.

What the Senator proposes is not to have the contracts renegotiated, because the Senator knows in his heart that every one will be subject to renegotiation

under the Renegotiation Act. What the Senator is trying to do is to provide for renegotiation in the departments—so that the contractors can be held up a year or two, while the departments try to fine-tooth comb them, and then, on top of that, be tossed over to the Renegotiation Board against the spirit of the Vinson-Trammell Act.

It is preposterous that the Senator would make such a statement on the floor. I resent it not only for myself but also for the Committee on Finance.

Mr. GORE. Madam President, I regret very much that the senior Senator from Maryland finds cause to resent the statement I made.

Mr. BUTLER. I resent anyone saying that I am in favor of excess profits, on the floor of the Senate or anywhere else, and I think the Committee on Finance resents it.

Mr. GORE. If the Senator is for excess profits he will vote "yea" on his own amendment.

Mr. BUTLER. Madam President——

Mr. GORE. I do not yield further at the moment.

What are the facts? There has been a renegotiation law for 11 years. The Butler amendment has never been a part of that law.

Customarily the Navy Department and the Maritime Commission, when negotiating big contracts for construction of ships and auxiliary facilities, which involve vast sums of money, which deal with new devices, new instruments of electronics controls—plowing uncharted seas—have placed a limitation on profits provision in their contracts.

No private contractor is required to enter into a contract with these departments. These are contracts freely negotiated between the Government and the contractor. I commend the Navy and the Maritime Commission, and any other agency which provides for a limitation on profits in its contracts.

Why should the Senate prohibit the Secretary of any department of Government from entering into such a contract? It is unthinkable.

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

Mr. GORE. I yield.

Mr. HUMPHREY. Are not all of these contracts negotiated contracts?

Mr. BUTLER. I cannot hear the Senator.

Mr. HUMPHREY. Are not these all negotiated contracts?

Mr. GORE. Not all.

Mr. BUTLER. Madam President, which ones are not?

Mr. GORE. I am not prepared to say that all such contracts are negotiated. I think some may very well be the result of competitive bids.

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

Mr. GORE. Not now.

Mr. BUTLER. If they were not renegotiable, then they would not be subject to the act.

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. GORE. There may be some misunderstanding as between the term "negotiated" and the term "renegotiated." As I understand, the senior Senator from Minnesota is inquiring if contracts de novo——

Mr. HUMPHREY. De novo; yes.

Mr. GORE. Are not negotiated as between the Government and the contractor.

Mr. HUMPHREY. Between the Department and the contractor.

Mr. GORE. I think the record shows that the overwhelming proportion of Government contracts now are, regrettably, negotiated contracts. In the past 2 years there has been some trend toward returning to competitive bidding. I am very glad of that trend. But the overwhelming proportion of Government contracts—perhaps in excess of 80 percent—are still entered into on a negotiated basis. Some agencies of Government have exercised what I consider prudence by placing in the contracts a provision which would limit profits that may be earned under such contract.

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

Mr. GORE. I yield.

Mr. HUMPHREY. The Senator is correct. What he has pointed out is a result of experience in contracting during World War II, the Korean war, and thereafter. It was found that sometimes even under negotiated contracts profits that accrued were exorbitant.

Therefore, in order to take the first safety step in the public interest, the department head frequently would place in such contracts a limitation upon total profits.

Mr. GORE. The Senator is correct.

Mr. HUMPHREY. That principle is what the Senator is trying to preserve.

Mr. GORE. The Senator is correct.

I ask Senators to bear in mind that the Senate has before it a bill which would extend the Renegotiation Act. The Butler amendment has never been a part of that act. It is something new which has been brought in. The amendment proposes to prohibit—I am sorry that the distinguished senior Senator from Maryland, whom I call my friend, has taken umbrage at my interpretation of the amendment. I shall read the amendment and let Senators place their own interpretation upon it:

> No provision limiting the amount of profits shall be inserted by the Secretary of any department in any contract or subcontract the receipts or accruals from which are subject to this title.

With all due deference to my friend, the Senator from Maryland, I again say that Senators who are in favor of limiting profits should vote against the amendment. Those who are in favor of removing limitations on profits in Government contracts will vote for the amendment.

Mr. BUTLER. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. BUTLER. The Senator has made his statement with the certain knowledge that contractors involved would have their contracts renegotiated under the act. Does the Senator not trust the Renegotiation Board to do the job?

Mr. GORE. Madam President, I am pleased to reply to that question. The renegotiation process is frequently long drawn out. It is highly controversial, and frequently involves litigation. Sometimes it involves almost endless litigation. It is somewhat like trying to catch the horse after it has left the barn.

But with a prudence which I wish all Government agencies would follow, the Navy Department and the Maritime Commission have customarily placed a limitation-of-profits provision in their contracts. When the contractor himself has signed the contract agreeing to such limitation of profits, the contract is not subject to as many technical and legal objections and long-drawn-out procedures as it would do otherwise. Perhaps it is not exact, but this might be somewhat analogous to a consent decree in court to which both parties to the litigation would agree. It would then become an exceptionally binding obligation.

I do not wish to make a long speech. The issue is very simple. I wish to see the Renegotiation Act extended. It should be extended before June 30. But I do not know why we must come in at the last hour and write into the law a provision that has never been in the law, which would prohibit the Government from trying to save the taxpayers' money. I am not sure how much has been saved. The amendment was presented only yesterday at an executive session of the committee. I have had no opportunity to have staff work done on it in order to bring to the Senate statistics as to the amount of money that has been saved. But the agencies of the Government involved have opposed the amendment. Yet at 3:35 p.m. today, a Friday afternoon, before the law is to expire, the Senate is asked to write into the bill a prohibition against the limitation of profits.

Mr. MONRONEY. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. Are there printed hearings accompanying the bill which would so drastically change the Renegotiation Act?

Mr. GORE. There were no hearings. The amendment was presented yesterday in executive session. It is before the Senate today.

I shall not speak further. I regret that I felt the necessity of insisting upon a live quorum, but I think the subject is so important that the Senate should give it proper consideration.

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

Mr. GORE. I yield.

Mr. HUMPHREY. I commend the Senator for his vigilance. I can remember other times when a proposed extension of the Renegotiation Act was before the Senate. Regrettably we have had some battles over it, because it is a very vital matter in terms of government revenues and practices with relation to contractors. It relates to protection of the public interest by a department that is contracting with an instrumentality of business for goods or services related to the department's budget. It seems to me that the protections which have been inserted in the Renegotiation Act in the past have

proved to be adequate for the public interest as well as for private parties.

It seems to me that if such a provision as that embodied in the amendment were to be included in the bill, it ought to be the subject of very careful study and examination by the Government agencies. The General Accounting Office should be brought in to testify on that sort of question. Surely each of the departments of Government should be brought in, including witnesses from the Defense Department, as well as a number of outside experts.

If we are to extend the Act, we should do so. I do not say that the Act is not without need of some review or some adjustment. I look with greater interest, friendship, or support to review by courts. I think questions are involved that might lend themselves to more favorable consideration by the court. If an amendment such as the one proposed were to be placed in the act, we would place the entire responsibility for the protection of the public interest entirely upon the Renegotiation Board. We would tie the hands of the administering agency that might make the contract.

I think the Senator is correct, and I shall do what I can to get him some votes.

Mr. GORE. I thank the Senator.

Mr. DOUGLAS. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Is it not true that in connection with the contracts which are offered to the ship building and ship repair companies and which contain these profit limitation clauses, it is not compulsory for the companies to accept the contracts, and that when they accept the contracts they do so of their own free will.

Mr. GORE. That is true.

Mr. DOUGLAS. They accept the profit-limitation principles embodied in the contracts. Is that correct?

Mr. GORE. That is correct. I conclude by asking the Senate to vote against the pending amendment.

Mr. BUTLER. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. BUTLER. The Senator earlier made the statement that the administration was opposed to the amendment. What manifestation has the administration made to that effect?

Mr. GORE. In the executive session of the committee yesterday—I am not sure that I am authorized to divulge what was said in executive session. I hardly know what to say.

Mr. BUTLER. There was no one present but the heads of the departments and the General Counsel. I do not know of anyone being present who had authority to speak for the administration. The only man that I know who was there who might be said to be a part of the administration was Assistant General Counsel of the Maritime Administration. It is not necessary to say what was said, but merely who was there. Absence speaks for itself. The administration has taken no position.

Mr. GORE. The Senator has stated it correctly. I can say that the spokesman for the Department of Justice and the spokesman for the Maritime Administration were in the executive session yesterday. I understand they belong to the administration. They are a part of the administration, I am advised. I am advised by the chief counsel of the Joint Committee on Internal Revenue Taxation that the Navy presented its opposition before Ways and Means Committee of the House of Representatives. The Navy was not represented yesterday at the hearing. Although I am not privileged to reveal the testimony that was given in the executive session, I believe that the Members of the Senate can deduce from what we have said that the administration was pretty well represented. I will ask the junior Senator from New Mexico if I have made a fair statement.

Mr. ANDERSON. I believe the Senator from Tennessee has stated the situation correctly. There were present representatives of various departments of the Government.

Mr. CLARK. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. I should like to ask my friend from Tennessee whether the amendment which he attacks does not change existing law and existing practice?

Mr. GORE. The existing law does not contain the amendment. Some agencies of Government, particularly the Navy Department and the Maritime Administration, customarily include in their contracts provisions limiting profits under the contracts.

Mr. CLARK. If the amendment of the Senator from Maryland is adopted, they will no longer be able to do so. Is that correct?

Mr. GORE. The amendment undertakes to prohibit Government agencies from having such a provision in the contract.

Mr. CLARK. Is the Senator aware of any testimony before the Committee on Finance or of any evidence from any governmental department which indicates that the present practice with reference to the Navy and the Maritime Administration has been unsatisfactory?

Mr. GORE. Well, there have been a number of complaints. I do not believe I can say that we have had any testimony on it. We have not had any hearings on the subject. However, it would be fair to say that there have been a number of complaints about it.

Mr. CLARK. Is the Senator aware of any evidence that, because of this practice, the Maritime Administration and the Navy Department have found it difficult to procure contractors for jobs which the U.S. Government needs to have done?

Mr. GORE. I am not.

Mr. CLARK. The Senator heard the testimony, and he is a member of the committee. What is the motivation for changing the existing practice?

Mr. GORE. I am unable to supply the motive.

Mr. CHURCH. Madam President, will the Senator yield?

Mr. GORE. I am glad to yield. Madam President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CHURCH. I am puzzled to know the theory on which the amendment is based, or how it relates to the protection of the public interest. In that connection, I should like to present a hypothesis to the distinguished Senator from Tennessee. Suppose Congress were to pass a law to prohibit two private parties entering into a contract, from including in it any provision relating to the limitation of profit. Does not the distinguished Senator from Tennessee believe that this would raise serious constitutional questions as to the right of Congress to prohibit such a contractual provision between two private parties?

Mr. GORE. I do, indeed.

Mr. CHURCH. Could it not be said that such an effort might run afoul the due process clause, as an arbitrary and capricious prohibition?

Mr. GORE. That is certainly a possibility.

Mr. CHURCH. Then, upon what basis can it be contended that the public interest is advanced?

Mr. GORE. By the amendment?

Mr. CHURCH. By the amendment which undertakes to do this very thing when the Government is one of the contracting parties.

Mr. GORE. Well, I say, in all candor, I believe it is an amendment which is completely contrary to the public interest.

Mr. CHURCH. I agree with the distinguished Senator from Tennessee, but I am puzzled to know on what theory, reasonably related to the public interest, the amendment is advanced.

Mr. GORE. I would prefer to let the author of the amendment reply to that question. I am sure that he has reasons satisfactory to himself for offering the amendment. I do not think they are valid reasons. I am sure he does. I am willing to concede him all sincerity in his position.

Mr. CHURCH. I have listened with great interest to the argument made by the distinguished Senator from Tennessee. I find the argument compelling. I note that the proponent of the amendment is about to speak, and I shall listen to his reasons with considerable curiosity.

Mr. BUTLER. Madam President, the Senate is asked today to sustain the Finance Committee on the pending amendment. The amendment starts on page 1, line 9, and runs through line 14 on page 2.

The purpose of the amendment is to prevent Government agencies from employing certain nonstatutory profit limitation devices which the Joint Committee on Internal Revenue Taxation and the Committee on Finance have found to be a perversion of the Renegotiation Act of 1951. The history of the amendment is somewhat as follows.

In 1959 the practice had grown up in the Maritime Administration and in the Navy Department to put these nonstatutory profit limitation clauses in their contracts. This is not done by any other department or agency of Government. The contracts in which these clauses are inserted are all subject to the

operation of the Renegotiation Act and must be renegotiated in the end by the Renegotiation Board.

It became clear that such a practice was manifestly unfair, because perhaps one-fiftieth of 1 percent of the defense contractors who are negotiated within the agency have to go through renegotiation again before the Renegotiation Board. The amendment was submitted in 1959. It went to the Committee on Finance, where hearings were held on it. It was adopted and added to the 1959 extension bill.

The bill then went to the House. The House, without prejudice, pending further investigation, refused to accept the amendment, but suggested that it be referred to the Joint Committee on Income Taxation for hearing, study, and report. After study by the Joint Committee on Income Taxation, the Joint Committee filed a report, in which it said, in part:

> It is evident that the procurement agencies have been using, and desire to continue using, these nonstatutory profit limitations to achieve results which are precisely those which it is the policy of the Renegotiation Act to prevent.

The amendment was offered again to the 1962 extension bill. It was accepted by the Committee on Finance, and the report of the Committee on Finance, on page 4, states:

> In order to prevent the renegotiation authority from being weakened and to prevent the will of Congress from being circumvented by such administrative action, this amendment prohibits use of the type of profit limitations described above so long as the Renegotiation Act is in effect.

That is precisely the conclusion which the entire Congress reached when it passed the act which suspended the effect of the Vinson-Trammell Act during the renegotiation process. No other department or agency of the Government enters into this practice of double renegotiation. The practice is absolutely a perversion of an act of Congress. It is contrary to the will of Congress, expressed when Congress suspended the provisions of the Vinson-Trammell Act during the period of the Renegotiation Act.

All I ask today is that the amendment be adopted, so that these few contractors, out of the many thousands who contract with the Government, will not be renegotiated twice; that they will not be subject to arbitrary opinions by a statutory bureaucrat concerning provisions written into contracts they made with the department, and then, when they finish, not have to go to the Renegotiation Board to be renegotiated all over again.

In addition, as I stressed at the beginning of my remarks, this is a committee amendment; it is not my amendment. The amendment comes to the Senate as an amendment of the Committee on Finance. It was approved in 1959 and was adopted by this body in 1959. Then it went to the House. The House, without prejudice, referred the amendment to the Joint Committee on Income Taxation. The joint committee held hearings and determined that the amendment was a good one and should be adopted.

I have offered the amendment again. It has again been accepted by the Committee on Finance. For my labors and trouble, I am almost accused on the floor of the Senate of being one of those horrible people who do not want profits limited and who wants contractors to fleece the public.

Practically every member of the committee voted for the amendment. The Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], and, I believe, the Senator from New Mexico [Mr. ANDERSON] voted against the amendment.

Mr. CHURCH. Madam President, will the Senator yield for a question?

Mr. BUTLER. I yield.

Mr. CHURCH. It has been stated in the debate that the Navy Department has followed the practice of inserting a profit limitation clause in its contracts. In the main, are those contracts cost-plus contracts?

Mr. BUTLER. No, they are not; the contracts are bid contracts. The people who came before the Committee on Finance testified that out of the last 12 experiences, the contractors not only made nothing approaching a 10-percent profit, they lost money on the contracts. Yet they are to be subjected to the arbitrary ruling of a bureaucrat against the intent of Congress, after Congress had said during the period of the Renegotiation Act, that the Vinson-Trammell Act shall be suspended and that there shall be no profit limitations. In the face of that mandate of Congress, the departments still act contrary to it.

I ask the Senate to uphold the committee and uphold the will of Congress. Congress has spoken on this particular subject. Congress has said, "We do not want anybody to include a profit limitation clause so long as there is a Renegotiation Board. That is the business of the Board."

The reason why Congress created a Renegotiation Board was so that it could consider the very things the bureaucrats want to include through nonstatutory profit limitation clauses.

Mr. CHURCH. Can the Senator tell us if any of the contracts are cost-plus contracts?

Mr. BUTLER. I do not believe there has been a cost-plus contract since the days of actual combat and war. Every one of the contracts is negotiated. As the Senator knows, there have been many losses. Two years ago the Senate debated whether a certain contract should be awarded to a Maryland or an Oregon bidder. The contract was awarded to Oregon, and the fellow who got the contract lost $2 million. So I was happy that Maryland did not get the contract.

Mr. CHURCH. Would the committee amendment have the effect of prohibiting cost-plus contracts?

Mr. BUTLER. No, it would not; it has nothing whatever to do with them. The contracts to which the bill applies will all be renegotiated anyway.

If the Senator will examine page 2 of the amendment, he will see that it does not apply to any contract which will not be renegotiated. I think the public interest can be taken care of by the Renegotiation Board. If we do not have faith in the Renegotiation Board, let us say so and get rid of it; let the agencies in the executive branch renegotiate the contracts.

The PRESIDING OFFICER. The question is on agreeing to that part of the committee amendment inserting section 2. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from Missouri [Mr. LONG] and the Senator from Michigan [Mr. MCNAMARA] would each vote "nay."

On this vote, the Senator from North Dakota [Mr. BURDICK] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from North Dakota would vote "nay," and the Senator from Kansas would vote "yea."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from California [Mr. KUCHEL]. If present and voting, the Senator from California would vote "nay," and the Senator from California would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Iowa would vote "yea."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Rhode Island [Mr. PELL] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Rhode Island [Mr. PASTORE] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Rhode Island would vote "nay," and

the Senator from Maryland would vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Wisconsin would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Iowa [Mr. MILLER] and the Senator from Wisconsin [Mr. WILEY] are also necessarily absent.

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from North Dakota [Mr. BURDICK]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from North Dakota would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Nevada would vote "nay."

On this vote, the senior Senator from California [Mr. KUCHEL] is paired with the junior Senator from California [Mr. ENGLE]. If present and voting, the senior Senator from California would vote "yea," and the junior Senator from California would vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Rhode Island [Mr. PELL]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Wisconsin [Mr. WILEY] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Wisconsin would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 26, nays 46, as follows:

[No. 106 Leg.]

YEAS—26

Bennett	Dirksen	Saltonstall
Boggs	Eastland	Scott
Bush	Ellender	Smith, Maine
Butler	Fong	Talmadge
Byrd, Va.	Hickenlooper	Thurmond
Capehart	Javits	Tower
Cooper	McClellan	Williams, Del.
Cotton	Mundt	Young, N. Dak.
Curtis	Russell	

NAYS—46

Aiken	Hartke	Moss
Allott	Hayden	Muskie
Anderson	Hickey	Neuberger
Bartlett	Hill	Prouty
Bible	Holland	Proxmire
Byrd, W. Va.	Humphrey	Randolph
Carroll	Jackson	Robertson
Case	Johnston	Smathers
Church	Keating	Smith, Mass.
Clark	Long, Hawaii	Sparkman
Douglas	Long, La.	Stennis
Dworshak	McCarthy	Symington
Ervin	McGee	Williams, N.J.
Fulbright	Metcalf	Young, Ohio
Gore	Monroney	
Hart	Morse	

NOT VOTING—27

Beall	Hruska	McNamara
Burdick	Jordan	Miller
Cannon	Kefauver	Morton
Carlson	Kerr	Murphy
Chavez	Kuchel	Pastore
Dodd	Lausche	Pearson
Engle	Long, Mo.	Pell
Goldwater	Magnuson	Wiley
Gruening	Mansfield	Yarborough

So the first committee amendment was rejected.

Mr. GORE. Madam President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

EXPORT CONTROL ACT OF 1949—CONFERENCE REPORT

Mr. HUMPHREY. Madam President, I believe now the Senator from Alabama has the conference report on the Export Control Act. It is a privileged matter.

Mr. SPARKMAN. Madam President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 12 of the Export Control Act of 1949 is amended by striking out 'June 30, 1962' and inserting in lieu thereof 'June 30, 1965'.

"SEC. 2. Section 1(b) of the Export Control Act of 1949 is amended to read as follows:

"'(b) The unrestricted export of materials without regard to their potential military and economic significance may adversely affect the national security of the United States.'

"SEC. 3. (a) Section 2 of the Export Control Act of 1949 is amended by inserting 'of the United States' immediately before the period at the end thereof.

"(b) Section 2 of such Act is further amended by adding at the end thereof the following new paragraph:

"'The Congress further declares that it is the policy of the United States to formulate, reformulate, and apply such controls to the maximum extent possible in cooperation with all nations with which the United States has defense treaty commitments, and to formulate a unified commercial and trading policy to be observed by the non-Communist-dominated nations or areas in their dealings with the Communist-dominated nations.'

"(c) Section 2 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:

"'The Congress further declares that it is the policy of the United States to use its economic resources and advantages in trade with Communist-dominated nations to further the national security and foreign policy objectives of the United States.'

"SEC. 4. Section 3(a) of the Export Control Act of 1949 is amended by adding at the end thereof the following new sentence: 'Such rules and regulations shall provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data, from the United States, its territories and possessions, to any nation or combination of nations threatening the national security of the United States, if the President shall determine that such export makes a significant contribution to the military or economic potential of such nation or nations which would prove detrimental to the national security and welfare of the United States.'

"SEC. 5. Section 5 of the Export Control Act of 1949 is amended to read as follows:

"'VIOLATIONS

"'SEC. 5. (a) Except as provided in subsection (b) of this section, in case of any violation of any provision of this Act or any regulation, order, or license issued hereunder, the violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. For a second or subsequent offense, the offender shall be punished by a fine of not more than three times the value of the exports involved or $20,000, whichever is greater, or by imprisonment for not more than five years, or by both such fine and imprisonment.

"'(b) Whoever willfully exports any material contrary to any provision of this Act or any regulation, order, or license issued hereunder, with knowledge that such exports will be used for the benefit of any Communist-dominated nation, shall be punished by a fine of not more than five times the value of the exports involved or $20,000, whichever is greater, or by imprisonment for not more than five years, or by both such fine and imprisonment.'"

And the House agree to the same.

A. WILLIS ROBERTSON,
JOHN SPARKMAN,
PAUL H. DOUGLAS,
HOMER E. CAPEHART,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
CLARENCE E. KILBURN,
GORDON L. MCDONOUGH,
WILLIAM B. WIDNALL,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SPARKMAN. Madam President, I shall discuss the conference report quite briefly. I see no reason why it should take any great length of time.

The conferees met this afternoon. Much work had been done since the close of the Senate session last night and up to the time the conferees met and reached an agreement this afternoon. We were able to get together on a compromise bill which I believe should be acceptable to everyone.

In the form in which we bring the bill to the Senate it includes the Javits amendment which was agreed to in the committee and accepted on the floor of the Senate. It includes the Keating amendments. It will be remembered that there were two Keating amendments, and the first amendment had two parts to it. It happened that the House had a provision which was almost identical with the first half of the Keating amendment, but was a little different. The House conferees insisted upon their version. The conferees agreed upon the House version of that part of the amendment, and the Keating amendment for the second part. The conferees accepted the second Keating amendment in full. That is the one that contained the penalty provision.

The Senate accepted the House provision on the term, 3 years. The Senate had passed the bill without termination date; the House had provided a term of 3 years.

Then came the so-called Kitchin amendment to section 3 of the act, which was the one subject of controversy in the meeting of the conferees on the last two occasions, and which was the subject of much discussion here last night. We learned, when we reached the conference room, that the House conferees had worked out compromise language for this section and had submitted it to the gentleman from North Carolina [Mr. KITCHIN], who had served as chairman of the select committee that had conducted studies in the House.

I may say that, upon reading the language they had worked out, I found it was almost identical with the language the Senate conferees proposed to the conference committee in yesterday's session. The proposal corrected the aspect of the amendment which had caused the trouble. I mentioned last night the difference between the words "unless" and "if." That difference may sound unimportant, but every lawyer knows the difference between the use of the two words. I think it might be well for me to read the language agreed on, because it was the provision that was most difficult to arrive at. It reads as follows:

Section 3(a) of the Export Control Act of 1949 is amended by adding at the end thereof the following new sentence: "Such rules and regulations shall provide for denial of any request or application for authority to export articles, materials, or supplies, including technical data, from the United States, its territories, and possessions, to any nation or combination of nations threatening the national security of the United States, if the President shall determine that such export makes a significant contribution to the military or economic potential of such nation or nations which would prove detrimental to the national security and welfare of the United States.

As I have said, that is the language which was agreed upon.

Madam President, that is the sum and substance of the conference report. I urge its approval.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JAVITS. I am sure the Senator from Alabama knows of the gratification of those of us who felt that the conferees should go back, and, having gone back, come to the Senate with a result entirely adequate to the occasion.

I should like to pay my respects and my compliments to my colleague [Mr. KEATING], who made the motion for recommittal, which was so successfully carried, and who put up a strong fight for his amendment.

I am glad my amendment, which was adopted by the committee, is contained in the bill.

I feel this statement should be made a part of the legislative record. I respectfully submit the standard set by the Kitchin standard is one which has actually been in existence, as a matter of executive responsibility by the President of the United States. It does not increase or decrease what he has been doing, but it now states it in terms of the law.

Does the Senator agree with that statement?

Mr. SPARKMAN. Yes; I agree with that statement.

Mr. JAVITS. I thank the Senator. I think, on that basis, the Senator from Alabama has done a splendid job. I know the Senator from Alabama was to leave the city, but stayed over for this purpose, and we are deeply grateful to him. I hope he feels gratified, having given it the extra time at great sacrifice to himself, that it has had this result.

Mr. SPARKMAN. I feel greatly pleased that we had such an easy time in arriving at a decision today. It was a pleasant change.

Mr. DIRKSEN. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DIRKSEN. I think it can be said that this conference report represents substantially the Senate view. Is that correct?

Mr. SPARKMAN. Yes, it does.

Mr. DIRKSEN. Therefore I want to pay a compliment to the distinguished Senator from Alabama.

I listened with great interest last night when our esteemed colleague, the Senator from Pennsylvania [Mr. CLARK], paid glowing praise to the Senator from Virginia for having stood up to the sentiment expressed in the Senate. Now we come back with the Senate view. What impressed me most was that in committee we were dealing with a proposed rule introduced by the Senator from Pennsylvania [Mr. CLARK] under which the conferees to be selected, or a majority of them, should represent the prevailing view of the Senate.

I found him coming and going on that proposition. Therefore I ought to pay a compliment to my friend from Alabama.

Mr. SPARKMAN. I appreciate that.

I listened with great interest to the distinguished Senator from Virginia last night. As I told him, I thought he made a wonderful statement. I do not believe there was anything inconsistent in what was said. I told him I wished he had made that statement during the course of the debate.

What we agreed on, even before we brought back the proposal to extend the law 1 year, embodied virtually all of the Senate bill. Everything in the Senate bill is in the report, with the exception of the first half of the first amendment of the Senator from New York [Mr. KEATING], and the substance of that is included in the House provision we adopted, which the House conferees thought was better than the Senate version. That was one of the bargaining points.

We did not have the so-called Kitchin amendment in the Senate bill. We offered to the conferees yesterday morning language which was almost word for word the language the House conferees proposed to us today.

Mr. DIRKSEN. The Senator merits the congratulations of the Senate.

Mr. SPARKMAN. I feel sure that the speech made by the chairman of the committee had a good deal of effect.

Mr. CAPEHART. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Indiana.

Mr. CAPEHART. The fact is that we were able to secure today that which we offered the House conferees yesterday, for all practical purposes. Is that correct?

Mr. SPARKMAN. Yes. We obtained today almost exactly that for which we contended yesterday.

Mr. CAPEHART. Which the House conferees turned down on yesterday.

Mr. SPARKMAN. The Senator is correct.

Mr. CAPEHART And which they accepted today.

Mr. SPARKMAN. The Senator is correct.

Mr. KEATING. Madam President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KEATING. I wish to express my gratitude to the conference committee for a job very well done. I felt confident, when the Senate sent the distinguished Senator from Alabama back to conference yesterday, that he would be able to convince the House conferees that the position which is embodied in this conference report is a sound position. I am indeed grateful that the conference committee did not yield to the

importunities made to the conferees yesterday to pay no attention to what the Senate and House had done. The conferees have represented us loyally, faithfully and strongly in the conference. The Export Control Act will be immensely improved by the amendments adopted this year. Our determination to meet the Communist economic challenge realistically and affirmatively will now be clear. There will be no further excuse for fighting the cold war with one hand tied behind our back.

The new guidelines for dealing with Soviet procurement efforts should result in curbing the flow of both strategic and essential industrial equipment to the Communists. The increased criminal sanctions should deter export violations and allow more appropriate punishment for those who will not be deterred. At the same time, we have not eliminated the need for exercising sound administrative judgment in each situation or precluded the flexibility which is required to take maximum advantage of every circumstance.

We have also expressed our interest in having a greater effort made to obtain the cooperation of our allies in a unified program to prevent the buildup of Communist strength with the free world's help. More has to be done to make certain that this is an effective joint effort if our program is to be completely successful.

There has been too much tendency in the past to relegate the economic aspects of the struggle with communism to a back seat. We have responded boldly on many occasions to military threats, but we have been incredibly reluctant to use our tremendous economic power to induce concessions from the Communist empire. There will be no excuse for a continuation of this double standard after this measure becomes law. Madam President, the conference report should be approved.

Mr. SPARKMAN. I appreciate the remarks of the Senator from New York. The Senator referred to sending me back to conference. That was not the part I minded. What I felt rather distressed about was being held back from a trip to Alabama. I was supposed to be in Alabama today.

We stayed. No one is more pleased than I that we were able to work out this solution, because it will continue the law for the next 3 years. We will not have to fight this out again for 3 years, whereas under the provision brought to the Senate yesterday we would have had to work it out again next year.

I should like to add, in this connection, that the conferees agreed on a 3-year extension now, and intend to have future extensions of the Export Control Act on a 4-year basis. In other words 3 years from now the law should, the conferees feel, be extended for 4 years, and then later for 4 years more. We realized this statement of intention would not be binding on future Congresses, of course.

The purpose of this 3-year, 4-year setup is to make it possible for the Department of Commerce, in administering the act, to hire better employees, because the longer life of the statute will make it clear to prospective employees that the Congress intends to keep this program going indefinitely. In addition, we want to make it clear to the whole world that the Congress considers this a permanent program, one which should be vigorously carried out, and one in which we trust the entire free world will cooperate enthusiastically and wholeheartedly.

Mr. MORSE subsequently said: Madam President, for the past hour or so I have been in the committee room of the Committee on Foreign Relations in connection with Foreign Relations Committee business. I understand that while I was there a conference report on the export control bill was adopted. Therefore, I ask unanimous consent that the remarks I now make may be printed in the RECORD prior to agreement to the conference report on the export control bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Madam President, it was about this time last night, as I recall——

Mr. HUMPHREY. A little later.

Mr. MORSE. The Senator from Minnesota says "a little later," but it was about this time or a little later last night that the Senators from New York [Mr. JAVITS and Mr. KEATING] and the senior Senator from Oregon suggested that the Senate ought to send its conferees back to conference in order to strengthen their hands, to give us an opportunity to get an export control bill which would carry out at least the general policies of the Senate as manifested by the bill which passed the Senate.

I wish to say, good naturedly, that a rereading of the debate of last night on this subject will be found to be very interesting, when one weighs all the dire predictions and all the expressions of hopelessness on the floor of the Senate by Senators who disapproved of the position taken by the two Senators from New York and the senior Senator from Oregon in regard to sending the conferees back to conference.

Madam President, we now have a conference report which, in fact, will carry out the predictions the two Senators from New York and the senior Senator from Oregon made last night. The fight was not hopeless, after all.

This has demonstrated what the senior Senator from Oregon has urged on other occasions. When we send conferees to conference representing the position of the Senate and they encounter an attitude in the conference which can be described, as I suggested last night, as a take-it-or-leave-it attitude, we have an obligation in the Senate to strengthen the hands of our conferees by sending them back. That is what we did last night, even though some of our conferees said we were only putting them through wasted motion.

I said to the chairman of the Senate conferees in my speech that I sought to strengthen his hand. I congratulate the Senator from Alabama [Mr. SPARKMAN] for the great service he has rendered the Senate in going back to conference, presenting the position of the Senate, and bringing to us a conference report which in principle sustains the Senate bill in nearly all its major features.

I hope, Madam President, that the whole Senate will learn something from this experience. I hope the whole Senate will profit in the future from the experience we have had in connection with the export control bill. When a conference encounters the situation our conferees met in connection with the export control bill, I hope we will strengthen the hands of our conferees when they return to the Senate and report their failure to get satisfactory results by doing exactly what we did last night. We should send the Senate conferees back to conference with the reassurance of the Senate of our complete confidence in them, a confidence so great that we want them to try again to present to the House our point of view.

This illustrates something else, Madam President, which I suggested in my speech last night. Very often the House conferees are in a difficult position. Very often the House conferees need their hands strengthened. If the Senate sends its conferees back for a further conference, when they go back the House conferees can say, "So far as the Senate position is concerned, there is no doubt about the position, because twice the Senate has sustained the position taken by the Senate in the first place."

Likewise, I think it would be a good thing for the House now and then to send its conferees back a second time for a conference.

I close these remarks by saying that I congratulate the conferees, but also I hope the Senate as a whole has learned a lesson from what happened last night. In my many years in the Senate I doubt if I have seen the Senate send conferees back more than a half dozen times, but it has also been my observation that when the Senate sends its conferees back with instructions, when the Senate has passed a good bill in the first instance, there is a pretty good prospect of getting a better bill from the second conference than from the first. This is clearly demonstrated in connection with the export control bill.

I am very proud of our Senate conferees, who last night were a little critical of the senior Senator from Oregon because of the position he took. I think the conferees have served the Senate nobly, and have given us not only a good bill but also a precedent which I hope the Senate will follow in the future. I hope the Senate will not hesitate to send conferees back for a second conference.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1969) to amend the Federal Aviation Act

of 1958, as amended, to provide for supplemental air carriers, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus.

LEGISLATIVE PROGRAM—EXTENSION OF PUBLIC ASSISTANCE AND CHILD WELFARE SERVICES PROGRAM OF THE SOCIAL SECURITY ACT—THE MEDICARE AMENDMENT

Mr. HUMPHREY. Madam President, the Senator from New Mexico [Mr. ANDERSON] and the Senator from New York [Mr. JAVITS] wish to present this afternoon a revised health, hospital, and medical care program amendment. In order to accommodate these Senators I have discussed the question with the Senator from Georgia [Mr. TALMADGE], and I shall ask unanimous consent that we interrupt the proceedings on the Renegotiation Act for a limited period of time in order that there may be the presentation of the medicare amendment.

Madam President, first I ask unanimous consent to have laid down as the unfinished business on Monday, July 2, H.R. 10606, the proposed Social Security Act amendments, Calendar No. 1549.

Mr. JOHNSTON. Madam President——

The PRESIDING OFFICER. The bill will be stated by title.

Mr. SPARKMAN. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. Is the Senator making a unanimous-consent request?

Mr. HUMPHREY. Yes.

Mr. SPARKMAN. Madam President, reserving the right to object, and of course I do not intend to object, I should like to ask the acting majority leader one or two questions with reference to the expectation as to action on the bill.

I understand the Senator proposes to lay the bill before the Senate on Monday next. How much debate is there likely to be? When is it felt there will be a vote on the question?

Mr. HUMPHREY. The Senator from Minnesota claims no prophetic vision on this question or on any other. I am only proposing that we start the debate on Monday. I hope we may be able to move right along, because the subject is something which is well known to all; upon which there is, however, considerable controversy. It appears to me that when the Senator from New Mexico [Mr. ANDERSON] places his amendment before the Senate he might be able to give us some indication as to what he thinks would be the duration of the debate. We will, however, continue consideration of the so-called welfare bill.

Mr. SPARKMAN. The Senate will not be swinging back and forth between it and the space satellite bill?

Mr. HUMPHREY. No. The Senate will continue consideration of the welfare bill and the medicare amendment and any other amendments until action has been completed.

Mr. SPARKMAN. The Fourth of July is next Wednesday. It is not intended there will be a session that day?

Mr. HUMPHREY. There will be no session next Wednesday. I am happy to announce there will be no session tomorrow. There was some possibility of a session on Saturday, but there is no need for the session on Saturday since the conference report relating to the Sugar Act is as yet not completed. Furthermore, I have discussed the problem with the Acting Secretary of State, and it will not cause any great inconvenience if the Senate should not act on the conference report on the Sugar Act until Monday, or even next Tuesday. That is a privileged matter, however, and can be taken up for consideration at any time.

So there will be no session tomorrow, Saturday. The Senate will convene on Monday. At the proper time I shall move that the Senate meet at 12 o'clock on Monday.

My present request is that the unfinished business for Monday, July 2, be Calendar No. 1549, H.R. 10606, relating to proposed Social Security Act amendments.

Mr. SPARKMAN. May I ask the Senator if he can tell, this far ahead of time, what time it is contemplated the Senate will meet on Tuesday? Will that be at 12 o'clock?

Mr. HUMPHREY. There will be a session on Tuesday. There will be no session on Wednesday.

Mr. SPARKMAN. Will there be a session on Thursday?

Mr. HUMPHREY. There will be a session on Thursday. There will be a session on Friday. I hope every Senator will be here, but I doubt it. [Laughter.]

Mr. SPARKMAN. So do I. [Laughter.]

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

Mr. JOHNSTON. Madam President, I should like to ask a question before I agree to the unanimous-consent request. When will I have an opportunity to make a speech of about 10 minutes?

Mr. HUMPHREY. The Senator will have an opportunity to do that as soon as the Senate returns to consideration of the bill to extend the Renegotiation Act.

The rule of germaneness does not apply in the Senate. Because of the Senator's charm, ability, and the respect of his colleagues for him, he will have no difficulty in obtaining the floor.

Mr. JOHNSTON. I wished to present the statement as soon as I could today.

Mr. HUMPHREY. The acting majority leader will cooperate to the fullest extent.

Mr. CLARK. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. Does the acting majority leader deplore the fact that there is no rule of germaneness in the Senate?

Mr. HUMPHREY. Not at this moment.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act, and for other purposes.

Mr. HUMPHREY. Madam President, has unanimous consent been granted?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ANDERSON. Madam President, on behalf of myself, and Senators HUMPHREY, DOUGLAS, JAVITS, MAGNUSON, PELL, HARTKE, CASE, BURDICK, MCCARTHY, MORSE, NEUBERGER, ENGLE, MOSS, PASTORE, KUCHEL, LONG of Hawaii, JACKSON, LONG of Missouri, KEATING, COOPER, HART, RANDOLPH, METCALF, MCGEE, and CLARK, I submit amendments, intended to be proposed by us, jointly, to the bill (H.R. 10606) to extend and improve the public assistance and child welfare services programs of the Social Security Act and for other purposes.

Madam President, because of the widespread interest in these amendments and the difficulty of following all of their provisions as they amend other sections of the Social Security Act, I ask unanimous consent that the table of contents which has been prepared may appear just ahead of the text of the amendments when the amendments are printed, or if that is not regarded as desirable, that the table of contents may be incorporated in the printed amendments at the appropriate places.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendments will be received, printed, and lie on the table.

Mr. ANDERSON. Madam President, I ask unanimous consent that at the conclusion of my address there may be printed in the RECORD a statement on significant improvements in the Anderson bill (S. 909) made by the Anderson amendments to the welfare bill (H.R. 10606).

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ANDERSON. Madam President, at the outset let me say that I have enjoyed immensely the opportunities I have had for discussions in the past few days with members of the minority party. I mention particularly the distinguished Senator from New York [Mr. JAVITS], with whom I have had many discussions. I have found his assistance to be extremely valuable. I mention also the other Senator from New York [Mr. KEATING], with whom I have had an opportunity to discuss the subject; the distinguished Senator from Kentucky [Mr. COOPER], who has long been known for his position in this field; the Senator from New Jersey [Mr. CASE]; and the Senator from California [Mr. KUCHEL]. It has been a pleasant experience, because in a long experience in public life those Senators have made contributions to me which I have deeply appreciated, and by their public discussions they have

made it possible for me to envision certain aspects of the bill which had not heretofore been considered.

Their assistance has made possible many features in the present bill. I pay tribute to them now as I have paid tribute to them many times in the past.

I point out also that twice upon the floor of the Senate the Senator from New York [Mr. JAVITS] has said that we would make every effort possible to arrive at some sort of harmonious arrangement under which he might join me as a cosponsor of the bill. We do not completely subscribe to everything in the same way. No Senator would wish it that way. But I point out that the Senator from New York [Mr. JAVITS] is a cosponsor on the bill. Therefore I think he has made good on the solemn promise which he made to the Senate on two different occasions, that every effort would be made to work on these questions in a proper and harmonious fashion.

Our proposed amendment to H.R. 10606 is a considerably improved version of S. 909.

It was developed after careful consideration of the comments, questions, and criticisms arising during discussion of the provisions of S. 909. I have studied other bills that have been introduced. I have welcomed suggestions from all who sincerely want a bill to be enacted.

We have revised S. 909 to make many improvements. Our proposed amendment is one which can be supported by all who agree, in principle, on the social security approach and by all who sincerely want a bill passed.

Unless favorable action is taken now, health insurance for the aged could become a major issue in the fall elections, and next year a bill will be passed. But the problem that confronts our aged people is so pressing that I hope we will not delay a solution another year.

The proposed amendment is a conscientious effort to meet the reasonable objections to S. 909, while at the same time preserving its essential points—health insurance benefits for aged social security beneficiaries and railroad retirement annuitants without a means test and financed through the contributory social security system.

THE SOCIAL SECURITY APPROACH IS ESSENTIAL

On these essential social security features, I cannot compromise. Our proposed amendment would utilize the social security financing mechanism, for through this mechanism the health insurance needs of our people in their later years can be met by payments made during their working years.

Health insurance will go far to make retirement protection under social security truly adequate in a way that increased cash monthly payments can never achieve. Health costs of the aged are not evenly distributed from month to month or even from year to year. A person over 65 may have no appreciable health costs for several years and then in a short time have health costs running into thousands of dollars. It is clearly not possible to increase the cash benefit under OASI sufficiently to cover such large expenses.

The health insurance payments to which the elderly would be entitled would be paid as a right earned through the social security system which they have helped support by their contributions during their working years. There would be no means test.

The amendment would follow the same threefold attack on dependency in old age as that carried out by the present social security program. First, basic health insurance protection against hospital costs and certain alternatives to hospitalization would be afforded the elderly through social security; second, the existence of a program of basic protection would encourage the development of additional, private protection which the individual could purchase by his own means; third, all the States would be placed in a far better financial position to provide adequate medical assistance to help the relatively small group whose special needs and circumstances make it impossible for them to meet health costs that exceed those covered in this bill.

The proposed program would be financed on the same financially sound basis as the present social security program. Its cost over the longrun future has been carefully calculated, and sufficient income to meet both short-term and longrun program obligations is provided for.

HEALTH BENEFITS FOR THOSE NOT INSURED UNDER SOCIAL SECURITY

It is estimated that by January 1964—the effective date of my proposed amendment—the total population age 65 and over in the United States will be 17.9 million. Of this number, over a quarter of a million, although not eligible for social security or railroad retirement protection, would have their health needs taken care of under various other governmental programs—including retired Federal employees who have governmental health insurance protection available to them. This leaves approximately 17½ million persons 65 and over, of which about 15 million would be eligible for health insurance under social security or railroad retirement. We have included in this amendment a provision for furnishing to these 2½ million aged people, from general revenues, the same health benefits as provided to those insured under the social security and railroad retirement programs.

The gross cost of the provision would be about $250 million in calendar year 1964, the year the health benefits program would go into effect. This cost would be offset by savings in Federal medical care expenditures in 1964 that except for the passage of my bill would be made under public assistance and the veterans' programs. These savings would be about $200 million, leaving a net cost to general revenues of about $50 million in 1964. The annual cost of the provision would drop sharply in following years and eventually wash out altogether.

IMPROVED ADMINISTRATIVE PROCEDURES

Since the introduction of S. 909 last year I have had the benefit of many helpful suggestions from physicians and hospital administrators all over the country pointing out ways in which the administrative features of the bill could be improved. I have also studied the sincere concerns expressed by some that the Federal procedures might impose difficult requirements or administrative burdens on hospitals. Our proposed amendment meets each of the specific criticisms that some provisions of S. 909 might possibly—though the possibility be remote—result in Government interference with the operation of hospitals or the practice of medicine.

SIGNIFICANT ADMINISTRATIVE ROLE FOR PRIVATE ORGANIZATIONS

Under our proposed amendment the Secretary of Health, Education, and Welfare would be given specific statutory authority to delegate some of the more sensitive administrative functions to Blue Cross or to other similar voluntary organizations that are experienced in dealing with hospitals and other providers of health services. Any group of hospitals—or group of other providers of health services—could designate a private organization of their own choice to receive their bills for services and to pay these bills. If advantageous, additional administrative functions could be included in the contract between the Government and the organization. These administrative functions would include reviewing hospital fiscal records as a part of the determination of the cost of services, and acting as a center for communicating and interpreting payment procedures to hospitals.

I should point out that representatives of the American Hospital Association appearing before the Committee on Ways and Means last summer urged an approach that would utilize the services of voluntary organizations if a bill of this type were to be enacted, and I am convinced from numerous conversations with individuals in the field of hospital administration that the provisions I am now outlining will prove to be eminently satisfactory to them. The principal advantage hospitals and other providers of services would find in this arrangement would be that policies and procedures of the Federal program would be applied by the same organization administering the private, voluntary benefit program with which most of them deal.

The role that Blue Cross plans and similar expert organizations could play in carrying out the provisions of my proposed amendment would have advantages that go beyond the benefits that would be derived from their experience in dealing with hospitals and the working relationships already established. With such organizations serving as intermediaries between the Government and providers of services, those who are concerned that the Government might try to intervene in hospital affairs would feel much more comfortable.

ROLE OF STATE AGENCIES

The Federal Government would use State agencies to determine whether hospitals which are not accredited by the Joint Commission on the Accreditation of Hospitals or skilled nursing facilities and other providers of health services are qualified to participate in the program. The conditions of participation for such providers are spelled out in my

bill. State agencies would determine whether they are met. State health departments or other appropriate agencies designated by each State would also give professional consultation to providers of health services to assist them in meeting the conditions for participation and in establishing and maintaining necessary fiscal records and providing information necessary to derive operating costs which are the basis for payment for their services.

State governments are well fitted to perform these functions since they already license health facilities.

CONDITIONS FOR PARTICIPATION

Many people in the health field have applauded the intention—clearly reflected in S. 909—to be specific about any conditions that hospitals or other organizations would have to meet before they could participate in the proposed program. To make sure that the new program would not in any way undercut the efforts of the health profession and would not permit payment to substandard institutions, the participation requirements of S. 909 paralleled requirements of the health professions as they define and accredit institutions. A misunderstanding of the provision has produced the notion that the Government would impose additional requirements beyond those necessary for accreditation. The amendment we are offering makes very explicit that the requirements for participation may not go beyond the professionally set and professionally accepted standards established for hospitals, save for the requirement of a utilization review arrangement. The amendment even goes so far as to name the Joint Commission on the Accreditation of Hospitals and to require use of the Commission's provisions and findings; it provides that, with the one exception of the review arrangement, a hospital that is accredited by the Joint Commission would be conclusively presumed to meet the conditions for participation.

Our amendment would assure that participating nursing homes are of high quality by requiring that only nursing facilities affiliated with hospitals may participate.

FINANCING OF THE PROGRAM

The Chief Actuary of the Social Security Administration has assured me that the benefits of the proposal would be financed on a sound actuarial basis under the usual cost assumptions, which involve, among other things, level-earnings assumptions. The financing of both the cash benefits, including the higher ones that would result from raising the earnings base, and the new health benefits, would be accomplished by raising the maximum taxable earnings base to $5,200 per year and by an additional combined employer-employee tax of one-half percent. Whereas S. 909 provided for a separate Health Insurance Account to be maintained in the social security trust fund, our amendment would attach even more importance to separate accounting for health benefits by establishing a distinct and separate Health Insurance Trust Fund.

The proposed health benefits would be financed by an allocation to the Health Insurance Trust Fund from the total social security tax receipts—an allocation equal to what a combined employer-employee tax of 0.68 percent would yield. Part of this—0.50 percent—comes from the increase in the scheduled contribution rates in all future years. The remainder comes from the net gain resulting in the cash-benefits portion of the system from raising the earnings base from $4,800 to $5,200. The health benefits of the proposal and those of the existing system as a whole would be on a sound actuarial basis under these proposed financial provisions.

SUMMARY

Our amendment would embody all of the great merit of the social security approach and at the same time provide meaningful assistance for the relatively few older people who are not now protected by the social insurance system. It has strong safeguards against any possibility that Government would exert control over providers of services and established medical practices. It would have the additional advantage of not requiring Government and the doctors to come to agreement on fees and other sensitive matters that are best left to the private sector. It represents the vast area of agreement that has been reached by those of us who sincerely seek a way by which much needed protection against the cost of serious illness can be provided for our senior citizens.

There is no justification for further delay; we must not wait longer to provide an effective program of protection for the Nation's elderly people.

EXHIBIT 1

SIGNIFICANT IMPROVEMENTS IN ANDERSON BILL (S. 909) MADE BY ANDERSON AMENDMENT TO WELFARE BILL (H.R. 10606)

1. BLANKETING IN PRESENT NONINSURED

(Pp. 69–72, secs. 231–233): A provision has been made under the amendments providing coverage for health benefits for all those who are presently aged and not protected by a Federal program. People who reach age 65 before 1967 and who do not meet the regular insured status requirements of the social security system would be deemed insured for health insurance purposes. Uninsured people who will reach age 65 in 1967 would be deemed to be insured for social security health benefits if they had earned as few as 6 quarters of coverage in covered work at any time. For people who reach age 65 in each of the succeeding years, the number of quarters of coverage needed to be insured for health insurance protection increases by three each year, thus, people reaching age 65 in 1968 would need 9 quarters of coverage, people reaching 65 in 1969 would need 12 quarters of coverage, and so on. By 1972, the special insured status requirements for health insurance would have caught up with the regular insured status requirements for other social security benefits for both men and women and will wash out. The cost of health insurance benefits for these individuals would be paid into the Federal Health Insurance Benefits Trust Fund from the general funds of the Treasury.

2. SEPARATE TRUST FUND PROVIDED

(P. 45, et seq.; sec. 202): The amendment establishes a new Federal Health Insurance Trust Fund, completely separate from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, into which an amount equal to the taxes collected for health benefits would be deposited and from which health insurance benefit payments would be made.

3. USE OF VOLUNTARY ORGANIZATIONS SUCH AS BLUE CROSS PLANS

(P. 40, sec. 1715): A new provision has been added authorizing the Secretary to enter into agreements with an organization designated by any group or association of providers of services to perform certain administrative functions in connection with the program, including determination of the amount of payments due and making the payments. These provisions would make it possible for Blue Cross plans, the Kaiser plan or similar organizations, to participate substantially in the administration of the program.

4. USE OF STATE AGENCIES IN ADMINISTRATION

(P. 23, sec. 1708): The amendment provides for the use of State agencies to determine eligibility and to provide consultative services to providers of services and payment for such use including Federal sharing in the costs of planning and other activities directed at coordinating these services with other activities of the State related to health and medical services and the personnel and facilities required for this purpose.

5. SUPPLEMENTATION OF BENEFITS BY STATES AND PRIVATE INSURERS PROVIDED

(P. 4, sec. 1701(b)): The amendment contains a new provision disclaiming any intention to preclude supplementation of the basic protection provided by the bill through other health and medical care provided by States or through purchase from private carriers or otherwise.

The findings and declaration of purposes (p. 2, sec. 200(b)) also makes clear the intention to encourage and facilitate supplementation by States, private insurance, or other methods by providing, as does the present old-age, survivors, and disability insurance, a basic social insurance benefit.

6. ACCREDITATION OF HOSPITALS

(P. 24, sec. 1708(b)): Under the amendment accreditation of a hospital by the Joint Commission on Accreditation of Hospitals (AMA and AHA) would automatically make it eligible to participate if it had a satisfactory plan for utilization review by doctors on the hospital staff.

(Pp. 15–16, sec. 1706(a)(7)): Moreover, any health and safety requirements added by the Secretary to those spelled out in the bill could not exceed the requirements of the Joint Commission for Accreditation.

Mr. HUMPHREY. Mr. President——

Mr. JAVITS. Madam President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the able Senator from New York.

Mr. JAVITS. Madam President, I, too, would like to express the gratification which I feel this afternoon at being able to come to the Senate with my colleagues on this side of the aisle to join in the amendments with the Senator from New Mexico [Mr. ANDERSON] and his colleagues in what is close to being a complete approach to the problem of medicare.

I should also like to pay tribute to the Senator from New Mexico for his patience and skill in all the discussions which we have had on this matter, and which have brought us to the brink of agreement. I have joined, together with other colleagues of mine on this side of

the aisle, who were named by the Senator from New Mexico, in the submission of the amendments.

I wish to point out that there is one aspect of the amendments on which as yet in our discussions we have not reached agreement, and that relates to the option which shall be given to the individual beneficiaries to participate in a private or cooperative health plan and to receive some assistance with it from the program of the Federal Government.

The amendments of the Senator from New Mexico on that score contains an option provision which we have been discussing in recent days, and which is not quite what we think it ought to be in the interest, not only of our own views, but also of getting through Congress legislation which embodies a workable and satisfactory plan for the American people. Therefore, upon that particular point, and that particular point only, I send to the desk—if the Senator from New Mexico will yield for that purpose—an amendment to the Anderson amendments. My amendment deals solely with section 1716, the so-called option provision. I ask that the amendment, which I offer on behalf of myself, the Senator from Kentucky [Mr. COOPER], the junior Senator from New York [Mr. KEATING], and the Senator from California [Mr. KUCHEL], be printed, under the rule.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. ANDERSON. Madam President, this is an example of the friendly cooperation which has existed throughout our discussions. We do not completely agree on the option provision. We have found it extremely difficult to handle. I thank Senators on the Republican side of the aisle who have allowed this amendment to go forward, so that it may be printed for information only, without saying that we agree absolutely with everything it may contain. I again thank the distinguished Senator from New York and his associates for their cooperation.

Mr. JAVITS. Madam President, I think it most significant that Republicans have played what I hope is a major role in redrafting the amendments submitted by the Senator from New Mexico [Mr. ANDERSON] and in bringing about a merger of the ideas in my medical care bill with those contained originally in the King-Anderson bill. It is this kind of bipartisan action which makes prospects for the measure so encouraging.

The amendments now submitted by the Senator from New Mexico, with my colleagues and myself as cosponsors, represent a bispartisan measure. Indeed, one is always in trouble when one coins new words; but I am bold enough to try to coin one. I think the bill could probably be called a "medichoice" bill as well as a medicare bill.

I believe the revised amendments are consistent with the declarations of the 1960 Republican platform and are worthy of the support of Senators on both sides of the aisle.

The large measure of agreement which has already been reached between a group of Republican Senators and the Senator from New Mexico [Mr. ANDERSON] is most gratifying. We have gone a long way toward carrying out the provisions to be incorporated in a medical care bill for which I have long contended.

There were four points which, in my mind, always stood out as the differences between those points of view. In our opinion, every one of them has now been fully and satisfactorily covered in the option provision as contained in the amendment submitted by the Senator from New Mexico, although we feel that further discussion of that question is required, and we have submitted our alternative.

There are three points of complete agreement. The coverage is now made well nigh universal for those over 65, including non-social-security eligibles. I mentioned that the Senator from New Mexico and his colleagues have devised a plan for them which gets around an income or a means test, which appeals very much to us. It will not be nearly as complete as we had hoped, but we feel that it will serve the purpose. We have considered the proposal very carefully. It does make a leap into taking care of 2,500,000 people—we originally thought the number would be 3 million, but 2,500,000 is close enough—who are not covered by King-Anderson. It is a very big step forward in the direction of our views.

Second, State as well as private administration of the Government plan has been provided. Again, this is a fundamental principle for which we have always contended, and we are very much pleased that it is now recognized.

Third, a separate health insurance trust fund has been established, thus enabling us to understand clearly the issue of costs as we go along. This provision is extremely important from our point of view.

Fourth, we have made measurable progress in agreeing upon a provision for an option to permit beneficiaries to retain their private health plans which meet the basic standards, and to bring them within the context of the law.

Madam President, I shall go further and express the expectation that we shall certainly agree upon that particular issue, having every hope that that will not be the rock upon which we will founder, having maneuvered our way through so many other rocks up to now.

The changes definitively made so far are those which I and other Senators on this side of the aisle have advocated for a long time. We believe such changes would provide great advantages to the people and should go far toward enhancing the prospects of the bill becoming law. As I have said, we shall be working further on the option plan in an effort to come to an agreed position on that point.

For a long time, I felt that the social security method of financing was a regressive method because it taxed most heavily those who were the least able to bear the cost. I felt that the general revenue method of financing, according to income tax, was a fairer method. But I have become convinced over the months—and it has been a very long time—that those who pay social security taxes want to have the program operate in this way. Whether it is regressive or not, this method suits them better. Perhaps from the point of view of personal dignity, they feel they are investing in something which they will realize in due course as they reach the ripe age of older citizens. Certainly it is a method of financing which is more economical in terms of tax revenues and appropriations. So I finally came to the point of view of embracing this particular method of financing.

I say that only for this reason. I hope it will be realized that this has been a difficult wrench for me. My colleagues will speak for themselves, but I know it has been equally difficult for them. But I have come to this point of view—and I know my colleagues feel much as I do, although, as I say, they will speak for themselves—because we want very much to have legislation. I feel deeply that the time has come to enact such legislalation, and definitely that cannot be done unless it is supported in a bipartisan way. So the Senator from New Mexico [Mr. ANDERSON] has made it possible for us, by listening to our points of view and considering our deeply held positions of policy, to join in what I hope will be a historic effort, an effort which seems more auspicious at this moment, in my view, than ever before.

Mr. CLARK. Madam President, I strongly commend the Senator from New Mexico [Mr. ANDERSON] for exercising what we in this body have come to expect of him; namely, a skillful talent for bringing Senators of divergent views together in acceptable compromises in the public interest. I am very happy to be associated with the Senator from New Mexico and other Senators as a cosponsor of the bill. I think it was an act of legislative statesmanship to have been able to make the necessary concessions to our good friends on the other side of the aisle, whose support of this measure I welcome, without in any way sacrificing the basic principle of the King-Anderson bill and its reliance on the social security system for the method of raising funds.

I am pleased that the measure has been drafted in a bipartisan manner. I am hopeful that our friends on the other side of the Capitol will profit by the example of bipartisanship in this body and will give us an opportunity to enact this measure while the present Congress is still in session.

As one who is interested in the public relations aspect of the proposal, I hope that we will not call the bill "medicare" or "medichoice," or anything with "medi" in it, because I find, as I attempt to explain the proposal to the people of Pennsylvania, that as soon as the "medi" is used, people begin to think their doctor bills will be paid. I believe I am correct in saying that neither this proposal nor the King-Anderson bill makes any provision for the payment of doctors' fees or charges. So I think it would

be much wiser for us not to indicate, even indirectly, that doctors' fees are included among the payments to be made.

Mr. JAVITS. Madam President, it is a fact that the element of care by doctors was in my bill, but is not in this bill, because the King-Anderson package of benefits is a new feature in the measure which has now been offered. Therefore, the Senator from Pennsylvania is correct in saying that any term or any description which would tend to give that idea would be an improper one.

Doctors' services are entirely incidental to stays in hospitals; and I used the words I did only in an effort to indicate that a substantive change has been made in the King-Anderson approach.

I am glad to say that; and I am sure that the remarks I made when I used that term made that point very clear.

Mr. CLARK. I think it would be very helpful if we could all agree on semantics.

Mr. JAVITS. Yes.

Mr. CASE. Madam President, I rise to express my deep satisfaction over the drafting of this measure which seems to provide a good prospect for the enactment of a health bill which is so greatly needed by our elder citizens. I commend the Senator from New Mexico [Mr. ANDERSON] for his patience, his skill, and dedication to the substance of this cause, rather than to an effort to make political capital out of the situation.

I believe this is in a very real sense a historic occasion, for I predict that in view of the attitude of the Senator from New Mexico [Mr. ANDERSON] and his colleagues on both sides of the aisle, it will be possible for both Houses to pass this measure at this session, put it on the statute books, and place it in operation.

As a matter of personal feeling, I also wish to express satisfaction over the fact that I am no longer alone, as I was several years ago, in dealing with this subject. At one time I was the only Member on this side of the aisle to vote for the Kennedy-Anderson amendment, or whatever it was then called, which later became the King-Anderson bill. My colleagues are dedicated to the same purpose and objective; and the fact that they have made their contributions to this joint effort is also a great tribute to them.

The leadership which the Senator from New York and his colleagues have provided in connection with this effort is deserving of the highest praise, and it will be a shining mark on their legislative records when—many years from now, I hope—their legislative records are placed in the history books.

We are moving ahead to perform a needed task without partisanship and without any effort to obtain political credit. The problem is a most difficult one, and much remains to be done; but I am confident that with the leadership which has been shown it can be done.

Mr. COOPER. Madam President, I join my colleagues in expressing our appreciation for the statements made by the distinguished Senator from New Mexico [Mr. ANDERSON] and, even more, for his patience, cooperation, and dedication, as the Senator from New Jersey [Mr. CASE] has said, to the substance of this bill rather than to its form.

All of us are greatly indebted to the distinguished Senator from New York [Mr. JAVITS] for his leadership and for his work in securing the inclusion of these amendments in the Anderson bill. I think both Senator ANDERSON and Senator JAVITS have demonstrated true statesmanship.

During the debate there will be ample time to elaborate on our views on this measure, for, after all, this is perhaps but the beginning of the debate on it. However, at this time I wish to make a brief statement giving my basic reasons for joining in the sponsorship of this measure.

Madam President, I have joined as a cosponsor of the Anderson-Javits bill, providing health insurance for persons 65 years of age and older, along with my Republican colleagues, Senators JAVITS, KEATING, KUCHEL, and CASE. I do this because I have determined that the social security approach is the only practical and possible means of providing an insurance fund adequate to meet the health needs of approximately 15 million people over 65 years of age who will be eligible for benefits.

During my service in the Senate, various health insurance proposals based on the appropriation of general revenue funds have been proposed, including one by President Eisenhower in 1954. In 1960, I joined with Senator JAVITS and others in introducing in the Senate a bill offering a voluntary approach, to be financed by premiums, and by appropriations from general revenues. It was defeated. It has become evident to me that the Congress and many in the country will not support a voluntary approach depending upon annual appropriations of millions of dollars of tax revenues.

I make my decision upon a second fact. The social security program is designed to meet the minimum needs of retired persons with respect to food, clothing, and housing. I consider that medical care for retired persons is also a basic need. Persons under the social security system, of whatever income, large or small, pay into its insurance fund, and in doing so make it actuarially sound. All such persons can claim present social security benefits, whatever may be their income at retirement. The bill which we introduce preserves the same equality of treatment for medical care.

Led by Senator JAVITS, we on the Republican side cosponsoring the bill have been able to secure important modifications of the original medical care bill, which in our view meet every reasonable objection that has been made. These amendments, which we have worked upon and which are included in the bill, are in substance as follows:

First. Places under coverage and eligible for medical care benefits, the large majority of people not now included in the social security system.

Second. Provides a trust fund, separate from present social security trust funds. This provision assures that full information will be available respecting the actuarial integrity, and effective use of the fund.

Third. Provides that Blue Cross and similar private insurance carriers may participate in the administration of the program.

Fourth. Provides for the use of State agencies to determine eligibility benefits, and to provide other services.

Fifth. Provides that accreditation of hospitals furnishing services under the bill will be determined, as is the case at present, by the American Hospital Association and American Medical Association.

Sixth. Provides means for beneficiaries under the bill to exercise an option to use private insurance policies. We are working to secure further improvements in this section of the bill.

Madam President, in order to explain these provisions, I ask unanimous consent to have printed at this point in the RECORD a memorandum explaining the amendments.

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

SIGNIFICANT IMPROVEMENTS IN ANDERSON BILL (S. 909) MADE BY ANDERSON AMENDMENT TO WELFARE BILL (H.R. 10606)

1. Blanketing in present noninsured—(pp. 69–72, secs. 231–233): A provision has been made under the amendments providing coverage for health benefits for all those who are presently aged and not protected by a Federal program. People who reach age 65 before 1966 and who do not meet the regular insured status requirements of the social security system would be deemed insured for health insurance purposes. Uninsured people who will reach age 65 in 1967 would be deemed to be insured for social security health benefits if they had earned as few as 6 quarters of coverage in covered work at any time. For people who reach age 65 in each of the succeeding years, the number of quarters of coverage needed to be insured for health insurance protection increases by three each year; thus, people reaching age 65 in 1968 would need 9 quarters of coverage, people reaching 65 in 1969 would need 12 quarters of coverage, and so on. By 1972, the special insured status requirements for health insurance would have caught up with the regular insured status requirements for other social security benefits for both men and women and will "wash out." The cost of health insurance benefits for these individuals would be paid into the Federal health insurance benefits trust fund from the general funds of the Treasury.

2. Separate trust fund provided—(p. 45, et seq; sec. 202): The amendment establishes a new Federal health insurance trust fund, completely separate from the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, into which an amount equal to the taxes collected for health benefits would be deposited from which health insurance benefit payments would be made.

3. Use of voluntary organizations such as Blue Cross plans—(p. 40, sec. 1715): A new provision has been added authorizing the Secretary to enter into agreements with an organization designated by any group or association of providers of services to perform certain administrative functions in connection with the program, including determination of the amount of payments due and making the payments. These provisions would make it possible for Blue Cross plans,

the Kaiser plan or similar organizations, to participate substantially in the administration of the program.

4. Use of State agencies in administration—(p. 23, sec. 1708): The amendment provides for the use of State agencies to determine eligibility and to provide consultative services to providers of services and payment for such use including Federal sharing in the costs of planning and other activities directed at coordinating these services with other activities of the State related to health and medical services and the personnel and facilities required for this purpose.

5. Supplementation of benefits by States and private insurers provided.—(P. 4, sec. 1701(b)): The amendment contains a new provision disclaiming any intention to preclude supplementation of the basic protection provided by the bill through other health and medical care provided by States or through purchase from private carriers or otherwise.

The findings and declaration of purposes (p. 2, sec. 200(b)) also make clear the intention to encourage and facilitate supplementation by States, private insurance, or other methods by providing, as does the present old-age, survivors, and disability insurance, a basic social insurance benefit.

6. Accreditation of hospitals.—(P. 24, sec. 1708(b)): Under the amendment accreditation of a hospital by the Joint Commission on Accreditation of Hospitals (AMA and AHA) would automatically make it eligible to participate if it had a satisfactory plan for utilization review by doctors on the hospital staff.

(Pp. 15–16, sec. 1706(a)(7)): Moreover, any health and safety requirements added by the Secretary to those spelled out in the bill could not exceed the requirements of the Joint Commission for Accreditation.

7. Specifications; Option to beneficiaries for payment of private health plans.—Beneficiaries covered by approved private policies which include the statutory benefits could request that reimbursement be made to the carrier for the cost of the statutory benefits used. Administrative costs would be included in reimbursement. The private protection would have to be in force for the 5-year period between age 60–65 except that for people attaining age 65 in 1964 a minimum of 3 months would be required; 1965, 1 year; 1966, 2 years; 1967, 3 years; and 1968, 4 years.

To keep the administrative difficulties of dealing with carriers in reasonable proportion, insurance companies would be approved only if licensed to do business in all 50 States and the District of Columbia and if they have at least 1 percent of the health insurance business in force in the United States, except that any company could be included in any State in which it had 10 percent of the health insurance business in that State. Associations of nonprofit health insurance plans or organizations would be approved without regard to this requirement.

Mr. COOPER. Madam President, this bill is the result of constructive Republican efforts to improve the proposed legislation, and to base a medical care plan on sound principles. It represents the best function of the minority in Congress, which is to shape legislation by securing major modifications and basic improvements.

This bill is not a compromise. It is a synthesis. It represents a union of the Anderson and Javits proposals which I believe will be recognized as superior to either alone.

I am aware that a majority of the medical profession oppose a medical care bill based upon the social security system. I have the highest respect for their unselfish and humane work in the field of medical care. Nevertheless, it has become evident to me that the efforts of the medical profession and of many worthy insurance plans cannot solve the basic problem of supplying adequate care to millions who do not enjoy the financial resources of their more fortunate fellow citizens.

My chief reason for supporting this bill is that it will make available to millions of people at least a minimum of medical care against suffering and disease. I am familiar with all the arguments which will be made against this bill; but I want to support, and I must support, a measure which I believe meets the needs of our people.

Mr. CARROLL. Mr. President, I send to the desk an amendment to be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. CARROLL. Mr. President, I would have joined in the sponsorship of the King-Anderson amendments to the public welfare bill if I could have been assured that the amendment I have just sent to the desk would be incorporated in the bill.

So, Mr. President, I have sent my amendment to the desk, and I ask that it be studied very carefully.

Perhaps I should point out that 2 years ago I voted for the Kennedy-Anderson bill. But that bill having failed, I voted for the Kerr-Mills bill.

The purpose of my amendment is to enable the recipients of benefits from a State program of medical care for the aged, who are now social security beneficiaries to receive the benefits of the King-Anderson bill.

Mr. President, the amendment I have prepared to the health care for the aged bill—more commonly known as the King-Anderson bill—has two purposes. The first of these purposes is to assure that persons who are recipients of both social security benefits and old-age assistance benefits—or aid to the blind, aid to dependent children, or aid to the permanently and totally disabled—will not, by reason of the enactment of the King-Anderson bill, suffer any reduction in the amount of the cash benefits to which they presently are entitled under these aid or assistance programs.

The second purpose of the amendment is to assure that entitlement of such a person to health care for the aged under the King-Anderson bill would in no event be construed so as to reduce the quantum of benefits in the form of medical or health care to which such person would have been entitled without regard to such bill. In most cases, under the amendment, entitlement of such a person to benefits under the King-Anderson bill would result in greater health care benefits being provided for such individual, but never would such entitlement result in such person being entitled to less medical and health care benefits.

Perhaps the provisions of my amendment can best be explained by applying them to a hypothetical case. For example, let us assume that Mr. A. of State X is now drawing $50 a month under social security and $60 a month in old-age assistance. Under the amendment, the entitlement of Mr. A. to benefits under the King-Anderson bill could not be used by the State as a ground for reducing the $60 a month the State is now paying him as old-age assistance. Thus, he would continue to receive his $50 a month social security benefits and his $60 a month old-age assistance benefits in the same way as before enactment of the King-Anderson bill.

The King-Anderson bill does not provide physician's services to those insured under the bill, but does provide for hospital services; however, the insured person who spends a month or more in a hospital would have to pay the first $90 of hospital costs.

Let us assume that under the old-age assistance program of State X, old-age assistance recipients are entitled to be provided with physician's services and with 1 month per year of hospital services fully paid for by the State. Under the above assumptions, if Mr. A should get sick, his physician's services would continue to be paid for under the old-age assistance program the same as they would be now. If Mr. A should have to go to the hospital for a month or more, the first $90 of his hospital bill would be paid for by State X under its old-age assistance program, and the balance of the hospital bill would be paid for under the King-Anderson bill.

In other words, my amendment would guarantee that old-age assistance recipients—or recipients of aid to the blind, aid to dependent children, or aid to the permanently and totally disabled—who are also recipients of social security benefits would in no way be adversely affected because of the fact that they are also entitled to benefits under the King-Anderson bill. They would not, and could not, under my amendment, suffer any reduction either in the amount of their cash assistance payments or in the total quantity of publicly provided medical or health care benefits to which they would otherwise be entitled.

Mr. President, I say in all sincerity that my amendment should be accepted in the interest of protecting the outstanding pension program in Colorado, where there are some 50,000 pensioners, approximately 59 percent of whom receive their total pension from OAA, and 41 percent of whom receive some social security benefits. Let us assume that in a particular case a pensioner receives from social security $50 a month. Under my amendment, the social security insuree could receive King-Anderson benefits and still not lose any of the medical care benefits to which he would be entitled under the Colorado State medicare program. Nor would the King-Anderson benefits be considered as a resource in such terms that the pensioner would be deprived of the $60 due him under the State old age pension program.

If this amendment or a similar amendment, protecting the old age pensioners under our plan in Colorado, is not accepted, I shall feel constrained to speak at great length on this bill.

Mr. KEATING. Madam President, I join in paying tribute to the distinguished Senator from New Mexico [Mr. ANDERSON], to my colleague [Mr. JAVITS], and to all the others with whom we worked in this field. It has been a pleasure to work in such a harmonious manner—many times we were in disagreement, but there was a good deal of agreement too.

For a long time I have believed that we vitally need to help our aged citizens meet the ever increasing costs of health care. This measure, which we now offer as a substitute, is by no means perfect—after all, no bill is; but I believe it represents a practicable and workable solution which, in all good conscience, I feel I can support and should support.

Our substitute represents a giant step forward from the original so-called King-Anderson bill. Now, instead of hot political controversy and emotional charges and countercharges, we must do the job of providing reasonable and modern health protection for the aged. It is in this spirit that I have joined in sponsoring the bipartisan health care amendment submitted today as a substitute for the King-Anderson program.

Our amendment is financed, as has been pointed out, partly through a separate social security health care trust fund—which seems to me to be of top priority—and partly through general revenues. General revenues would cover those over 65 years of age who have qualified, but who have not paid into the social security system. This involves more than 3 million people. It is essential that they be included. I could not support a measure which did not include them.

I want to stress that this program will be financed out of a new, separate and distinct health care trust fund. An extra ½ percent in social security taxes will be paid into it. Because this money will be in one distinct and separate fund, everyone will know whether it is sound and how much has been spent and paid in at all times.

The use of private agencies to administer this health care program is also important. This amendment permits Blue Cross, Blue Shield, and other groups or private insurance plans to administer the plan, and also permits State administration under certain conditions.

The accreditation of hospitals by the American Medical Association and the American Hospital Association, who are the ones who would decide which hospitals are to be allowed to participate, is another important improvement. It brings these organizations into the picture and thereby places a wholly proper reliance on the judgment of private experts in the health field. They are well equipped to determine which hospitals should qualify. This safeguard serves a further purpose in avoiding an over heavy reliance on Government regulations and controls.

Finally an option provision, which, as my colleague has pointed out, is not completely in accord with our desires, is incorporated in this measure. I hope very much that, as that measure is debated and refined, we can improve upon the option provision, because I feel that it is an absolutely essential feature.

Like the distinguished Senator from Kentucky, I had rather favored the voluntary approach in the past, but it is now clear, in practical terms, that we are not going to get action by that approach. Furthermore, I concede that social security financing does have certain definite advantages. As my colleagues have pointed out, it is quite obviously preferred by most of the people who are presently under social security.

We are not going to devise a plan here that will get universal approval. Social security financing allows the worker to pay for his protection before he retires, so he can look forward to the future and it does involve already existing administrative machinery—thus avoiding the establishment of a huge new Federal bureaucracy for this program. Although I regard the social security tax as a regressive tax, as my colleague from New York has said, I am quite convinced that the majority of Americans who pay it are willing to pay a small additional amount for health care protection.

There may well be further amendments, such as our amendment on the cash option, which I shall support. Right now, I am convinced that this new amendment is a big improvement and contains many sensible and desirable features.

So I hope it will be possible for us to move forward. Undoubtedly, improvements can still be made in this measure in the course of the debate, but I believe it represents a significant step toward bringing the conflicting views together, and I am very happy to join in cosponsoring it.

Mr. JAVITS. Madam President, I deeply appreciate the gracious words of my colleague. I repeat what I said before. This approach represented such a wrench in philosophy that I hope very much that our respective States and the Nation will realize the degree of statesmanship and effort which went into these determinations, which have been evidenced by my colleagues who, as I think my colleague from New York [Mr. KEATING] said, took a giant step and brought about the giant step which is represented by this revision of the bill of the Senator from New Mexico [Mr. ANDERSON].

Another of our colleagues who has joined with us in this effort is the Senator from California [Mr. KUCHEL]. He has asked me to introduce into the RECORD a statement on his behalf in respect of his sponsorship both of the option amendment which I submitted a few minutes ago and the bill of the Senator from New Mexico [Mr. ANDERSON]. I ask unanimous consent that his statement may be made a part of the RECORD at this point.

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

STATEMENT BY U.S. SENATOR THOMAS H. KUCHEL IN SUPPORT OF THE ANDERSON-JAVITS HEALTH INSURANCE AMENDMENT

Many of our senior citizens face a serious plight with regard to meeting their basic medical care needs. I believe that the Federal Government and all interested citizens bear a heavy responsibility in seeing that this problem is met effectively and rapidly.

Studies show that much of the basic medical care needs of those who are over 65 can be met by financial assistance in meeting the payments for hospitalization and services rendered in the hospital. The bipartisan proposal which has been introduced today by the distinguished Senator from New Mexico [Mr. ANDERSON] will go a long way in resolving this serious problem.

What might fittingly be called the Anderson-Javits amendment is a great improvement over previous measures which have been offered in this controversial area. These improvements are substantial. They are due in a very large degree to the efforts which have been made by the able Senator from New York [Mr. JAVITS] who has effectively represented the views of those of us on this side of the aisle who have joined today in coauthoring this proposal.

We seek a solution to a serious problem. We seek a forward-looking, progressive, and realistic program. On the whole, I believe we have moved a long way toward these goals. For this, I think all of us owe a great debt of gratitude to the diligence, intelligence, and skill with which the Senator from New York has represented our views in his many meetings and discussions with the Senator from New Mexico. These improvements are the result and the fruition of the finest spirit of a minority party: to be constructive rather than obstructive. I am grateful also to the Senator from New Mexico for his willingness to accept most of our recommendations and suggestions and thus come forth with a measure which most of us can support as being truly in the public interest.

The Anderson-Javits amendment fully meets one of our two major objections to the so-called King-Anderson bill and goes part way in meeting our second major objection. We have now secured coverage for all those who are over 65 years of age regardless of whether or not they have ever been covered by social security. This is essential. It was completely unreasonable to discriminate against several million good citizens who because they had concluded their working years no longer had the opportunity to earn the social security credits necessary for coverage. For those who become 65 after 1966, a reasonable period has been provided in which they can make themselves eligible for the medicare benefits.

A partial start toward reimbursement to those who wish to continue with their private health care insurance program has been made. I do not believe that this provision goes far enough. Nevertheless, I have coauthored the Anderson-Javits amendment with the understanding that our good faith discussions will continue and that when this matter is considered in the Senate we shall have the opportunity to strengthen this particular aspect of the proposal. Thus, I have also joined with Senators JAVITS, COOPER, and KEATING in offering an amendment to the Anderson-Javits amendment which we will ask the Senate to pass judgment on during the coming week.

Further improvements in this new proposal include authorization for State agencies to determine eligibility and provide consultative services. In addition, we have secured approval for the Secretary of Health, Education, and Welfare to enter into agreements with such groups as Blue Cross and the Kaiser Medical Plan—one of several distinguished medical groups in my own State of California—to perform administrative functions under this program.

I think we made great progress when we secured agreement that there be established a separate Federal health insurance trust fund, under the social security system but completely separate from the Federal old-age and survivors insurance trust fund and

the Federal disability insurance trust fund. This separate trust fund will help assure the soundness of our program. If further benefits are desired, the existence of this trust fund will clearly indicate whether an additional increase in social security taxes will be necessary. Thus, each individual will be able to equate the desirability of his prospective benefits with his actual payments during his working years.

I have long urged that States be permitted, if they so desire, to add to the basic benefits package. This has now been included. I have long opposed a means test. There is none.

In addition, we have met effectively the fear of encroachment by the Federal Government in determining the eligibility of participating hospitals. We have provided that all hospitals which are accredited by the Joint Commission on Accreditation of Hospitals (composed of members of the American Medical Association and the American Hospital Association) will be automatically included.

All of these various improvements are something for which we have long fought and long stood. I believe their acceptance by the Senator from New Mexico has brought realism to this complicated and difficult area of public policy. The adoption of the Anderson-Javits amendment, strengthened by the private health insurance amendment which we have also offered, will go far toward meeting the health care needs of our senior citizens on a sound and constructive basis and thus help build a better America for all.

Mr. HUMPHREY. Madam President, the submission of the revised amendment or bill for health care for the aged is a very important moment in the Senate. I am sure our colleagues know that there have been a number of conferences on this subject. Some weeks ago it seemed that there might not be a reconciliation of the differing points of view. After a series of discussions, the Senator from New Mexico [Mr. ANDERSON] decided to consult some of our Republican colleagues, and in particular the Senator from New York [Mr. JAVITS], to see if there could not be an accommodation of certain proposals, looking to the consideration of a single bill. That purpose has now been accomplished.

On behalf of myself and the majority leader [Mr. MANSFIELD], the Senator from New Mexico [Mr. ANDERSON], the Senator from New York [Mr. JAVITS], and other Republican Senators who have become cosponsors of this particular measure and who have contributed so much, in terms of cooperation and accommodation, toward the fulfillment of a necessary objective.

It is my privilege to be one of the cosponsors of this measure, along with many colleagues in the Senate.

One of the very first bills I introduced when I came to the Senate was a proposal to include under social security, for the purposes of health benefits, hospital, and nursing home care benefits for persons aged 65 and over.

I introduced such a proposal in 1949; again in 1951; again in 1953, and in each Congress thereafter.

It was only in the last Congress that any possibility of success for the passage of this proposal was evident. With the Senator from New Mexico [Mr. ANDERSON], a member of the Finance Committee, becoming the chief sponsor of the bill in the Senate, and some of the rest of us becoming cosponsors, a determined effort was made to revise the whole program of health insurance or hospital and nursing home care insurance for elderly persons.

The Anderson bill introduced in the Senate and the bill introduced by Representative KING in the House have become symbols to the American people of a determination on the part of a responsible representative government to care for the health needs of our senior citizens.

It is my view that there is a real opportunity to pass a constructive and far-reaching measure, one predicated upon the established and well-recognized principle of social security, one that will do honor to our citizens, a proposal that does not include the so-called means test, which really is an offense to the dignity of individuals.

This is a proposal which, if passed by the Senate—and I believe it can be—can and will be approved by the House of Representatives. This is a bipartisan proposal; and with the support of our Republican colleagues who have joined in this bill, we have an opportunity to fulfill the platform commitments of the two political parties. Every Member of Congress will be given an opportunity to vote for it.

Next week in the Senate will be a most important week for the people of the United States, because in that week we intend to bring to a vote the revised and modified proposal on medicare or hospital and nursing home care. If we pass it in the Senate with a good majority, I predict that it will have every prospect of passage in the House of Representatives.

The Committee on Ways and Means of the House has not closed the door on this type of proposal, nor has the House membership. There is an opportunity for the Senate to be the springboard, the launching pad, so to speak, for a very important piece of legislation that is long overdue and will represent a distinct contribution to the social welfare programs of the American people.

I commend my colleagues for their initiative and accomplishment.

EXTENSION OF RENEGOTIATION ACT OF 1951

The Senate resumed the consideration of the bill (H.R. 12061) to extend the Renegotiation Act of 1951.

Mr. HUMPHREY. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill before the Senate is H.R. 12061, to extend the Renegotiation Act of 1951.

The pending question is on agreeing to the committee amendment beginning on line 15, page 2, and ending on line 10, page 3.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, as a member of the Committee on Finance, I was present at the executive session at which the bill was considered. I offered an amendment. The Senator from Georgia [Mr. TALMADGE], the Senator in charge of the bill, asked me to come to the Chamber in order to make an explanation of the amendment which I offered.

Under the renegotiation law there is an exemption from renegotiation with respect to articles and services which are defined with the words "standard commercial," "standard commercial articles," and "standard commercial services."

Briefly, a standard commercial article is one that is either customarily maintained in stock or is sold pursuant to a regularly established price list. The definition is further limited by the requirement that at least 35 percent of the aggregate dollar amount of the sales of such articles is under nonnegotiable contracts, that is, to civilian customers or to Government agencies which are not involved in defense work, and therefore the purchases are not subject to renegotiation.

When that exemption was inserted in the law, it was done for the purpose of lightening the burden of the Renegotiation Board by eliminating articles which were generally available and of which the price was readily determinable. At that time there was no substantial pattern of leasing such standard commercial articles rather than offering them only for sale.

Since that time the practice of leasing has grown up and has become quite common, both in ordinary commercial transactions outside the Government and within Government. The advantage of leasing is that immediate outlays of capital are not required, and the person leasing the article may change models and styles frequently.

Standard commercial articles which are leased include typewriters and office copying machines. There is a very large volume of business in the United States based on the leasing of automobiles, both passenger cars and trucks.

During the executive session yesterday we offered an amendment the effect of which would be to extend the exemption from negotiation to articles which, if sold, would meet the definition of standard commercial articles. The only difference is that such articles are leased rather than sold.

Representatives of the Renegotiation Board told us that the Bureau of the Budget had issued a directive suggesting that, so far as possible, the Federal Government purchase standard commercial articles rather than lease them. I have a copy of the circular of October 14, 1961, which sets forth that policy. On pages 3 and 4 of the circular are set forth the criteria under which the agencies of the Government are supposed to make

a decision as to whether they will buy or lease.

I should like to read that into the RECORD:

1. The purchase method is preferred when all of the following conditions exist:

(a) The system study which preceded the selection of the equipment has established a reasonable expectancy that the ADP equipment under consideration can be successfully and advantageously used.

In other words, if we know what it is, let us buy it.

(b) A comparative cost analysis of the alternative method of acquisition, of the types illustrated by Attachments A and B, indicates that a cost advantage can be obtained by the purchase method in 6 years or less after the date of delivery.

I am skipping some of the other explanatory material in the interest of brevity.

(c) The capabilities of the ADP equipment will continue to be needed and will be sufficient to satisfy the system requirements, current and projected, for a period beyond the point in time at which the purchase method begins to provide a cost advantage.

2. The lease - with - option - to - purchase method is indicated when it is necessary or advantageous to proceed with the acquisition of the equipment that meets system specifications, but it is desirable to defer temporarily a decision on purchase because circumstances do not fully satisfy the conditions which would indicate purchase. This situation might arise when it is determined that a short period of operational experience is desirable to prove the validity of a system design on which there is no previous experience, or where decisions which might substantially alter the system specifications are imminent.

3. The lease method, without option to purchase, is indicated only when it is necessary or advantageous to proceed with the acquisition of equipment that meets system specifications and it has been established conclusively that any one of the conditions under which purchase is indicated is not attainable.

It goes on to say:

(a) Lease or lease-with-purchase-option transactions in effect at the time this circular is issued, and which are expected to remain in effect until fiscal year 1964 will be reviewed.

I assume that they would go back and review the deals made prior to this circular, and if they decided that prior arrangements had not met these specifications, they would either cancel the leases or they would continue them.

In other words, the Bureau of the Budget has suggested that the Government can save money if it buys equipment if it plans to keep it for more than 5 or 6 years. On the other hand, leases may be more advantageous if the equipment is subject to a rapid rate of obsolescence and is likely to be replaced in a 5-year period.

Renegotiation imposes a substantial burden upon business firms in this country. Experience has shown that the paperwork involved in allocating costs between renegotiable and nonrenegotiable sales and in determining profits on such sales is both time consuming and expensive. It was for this reason that the standard commercial article exemption for sales was added to the law in 1954. Congress obviously felt that business firms should not be required to incur such substantial compliance costs unless it could reasonably be expected that excessive profits were being realized.

I believe the same policy reasons might justify us in amending the law now to extend the standard-commercial-article exemption to the leasing of such articles, for a lease, in reality, if there is a purchase privilege at the end, is a sale; and even when the purchase privilege is not present with respect to the article, the Government is purchasing the service of an article for a period of time.

The standard commercial services are also subject to exemption on the same terms as standard commercial articles.

This is not an earth-shaking proposal. There is an increasing number of standard commercial articles becoming available on lease. I am not in a position to say whether the Government, in the light of the October directive, is actually increasing or decreasing the volume of such articles which it is acquiring on lease in view of the directive.

I hope the Senate will support the judgment of the committee and permit the committee amendment to remain in the bill. I shall not ask for the yeas and nays on the amendment. I do not believe it is of that great importance.

I thank the Senator from Georgia for giving me this opportunity to explain the amendment.

Mr. TALMADGE. I thank the able and distinguished Senator from Utah for his very able explanation.

Mr. DOUGLAS. Mr. President, this is another of the amendments adopted by the Committee on Finance without a public hearing. It was suggested very briefly at the end of the executive session on Wednesday, and considered very briefly by the committee in executive session yesterday, with only very brief testimony either by the Senator from Utah or by the Renegotiation Board.

We are in grave danger this afternoon of seriously weakening the Renegotiation Act by this series of amendments. I am very pleased that the Senate as a whole rejected the so-called Butler amendment, and quite decisively. I hope it will reject the Bennett amendment also, although I well recognize that at this hour of the day, with Senators departing for all sections of the country, it will be very difficult to obtain a quorum on the floor to get an adequate vote.

The amendment seems innocent enough, but I am afraid there are some boobytraps in it. It exempts leasing arrangements between the Government and private industry on so-called standard commercial articles. It should be realized that the leasing arrangement is being very widely practiced both in private business and public business. I suppose it was started many years ago by the United Shoe Machinery Corp., which had a patent monopoly on shoe machinery. That company would not sell any shoe machines, but it would lease them to shoe manufacturing companies at high rental rates, on which it made extremely large profits.

I do not suppose the U.S. Government is operating any shoe factories, but if it were to operate shoe factories, it could not buy machinery, as I understand, from the United Shoe Machinery Corp. It would have to pay rentals on the machinery. The pending amendment would remove them from renegotiation.

It is well known that the International Business Machines Corp., familiarly known as IBM, has in the past made a general practice of not selling its machines, but leasing them. Although some limitation on this practice has been put into effect by the Department of Justice and the courts, it is my information that this practice still largely prevails.

The Federal Government is spending in fiscal year 1962 more than $225 million in leasing electronic data processing machines and punchcard systems equipment.

This is only a part of the story. It is probably true that at least $500 million in rentals is paid for the leasing of machines and equipment. It should be noted that in the vast majority of cases, as the Senator from Tennessee [Mr. GORE] brought out earlier in the afternoon, purchasing or leasing by the Defense Department is not conducted under competitive bidding. I made a study of that subject last year, and at that time I found that only 14 percent of the Department purchases were made under what can be called open competitive bidding, and that 86 percent of the purchases were made under some form of negotiated contract.

Secretary McNamara has made a great improvement in this direction, but I think it is fair to say that four-fifths of the Department of Defense purchases, which now run well over $25 billion a year, are still made under negotiated bids, and that this applies to equipment which is leased as well as to equipment which is purchased. This means that if we eliminate the right to renegotiate the profits which are made, we take away the one protection which the Government might have or the taxpayers might have. It is very difficult to compare the merits of one data processing machine with those of another. In general, those sponsored by International Business Machines have great prestige value and are accepted. As I see it, this amendment, which might be called an IBM amendment, although I shall not so designate it, would result in great profits being made, profits which could never be resurveyed or recaptured.

In the brief interval of time which I have had, I have been able to gather four instances in which equipment has been leased to the Government and upon which the profits seem to me to be extremely large.

There was one case, which I will call case A, in which, upon the rental of microfilming equipment amounting to $75,270, profits of $31,510 were made, or a profit rate of 41.9 percent. Under the Bennett amendment, this contract would not be subject to renegotiation.

Another illustration, which I shall call case B, is that of a machinery company

which received a rental from the Government of $261,453. The company made a profit of $142,603, or a profit percentage of 54.5 percent.

The third illustration, which I shall call case C, is of a company which had rental income from the Government of $1,191,203, and a gross profit of $802,156, or a gross profit rate of more than 67 percent. I call attention to the fact that this is not net profit, but gross profit. That is nevertheless an extraordinarily high percentage of profit and is very difficult to justify. Yet the Bennett amendment would prevent recapture of any of these profits.

I have a fourth illustration, which I shall call case D, running for 3 years—1951, 1952, and 1953—in which the contract apparently is still under consideration. In this instance, the rental income amounted, respectively, to $36,000, $57,000, and $59,000. The profits were $20,000, $50,000, and $50,000. The profit rates were 72 percent, 87.6 percent, and 84.1 percent, respectively.

These are only a few illustrations which I have been able to gather in the brief space of time which I have had at my disposal.

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

Mr. DOUGLAS. I yield to the Senator from Tennessee.

Mr. GORE. I congratulate the Senator from Illinois wholeheartedly upon his diligence and success in obtaining these statistics which, it seems to me, demonstrate the utter unwisdom of adopting the pending amendment. As the Senator said, the amendment was offered in executive session of the committee only yesterday. There has been little time to examine the full portent of it. The distinguished senior Senator from Illinois has, by good staff work, and, I am sure, the cooperation of administrative agencies which are opposed to the adoption of the amendment, succeeded in bringing some striking examples to the attention of the Senate. I sincerely congratulate him.

I inquire of the Senator: What degree of competition is there in electronic processing data machines and equipment?

Mr. DOUGLAS. It seems to me that the quality element is so important and the claims of differences in quality are so great that the judgment will not be made on the basis of leasing costs, but on the basis of the real or fancied superiority of the particular machine. If the rental cost is exempted from any further survey, it will be possible for the lessor to have the lessee over a barrel and at a distinct disadvantage; and since the lease will be under negotiated terms, there is a grave possibility, which these illustrations seem to bear out, that excessive profits will be made at the expense of the taxpayer. The Bennett amendment would legitimatize all of this kind of negotiation and would prevent any recapture.

Mr. GORE. The Renegotiation Act is aimed at excess profits, and seeks only to recover for the Government some portion of such profits.

Mr. DOUGLAS. That is correct.

Mr. GORE. Is that not true with respect to leasing contracts the same as with respect to procurement contracts?

Mr. DOUGLAS. It is now; but under the amendment of the Senator from Utah [Mr. BENNETT], it would not apply to the leasing contracts.

Mr. GORE. I know the Senator is willing to have the proponents of the amendment advance whatever reason the proponents may think justifies the amendment. But can the distinguished Senator from Illinois conjure any rationalization as to why a distinction should be drawn between procurement contracts and leasing contracts such as he has cited?

Mr. DOUGLAS. I do not think distinctions should be drawn. I do not think an exemption should be granted with respect to leasing contracts.

I know the sponsors of the amendment will say that since the price of a standard commercial article is exempted from renegotiation, the leasing of a standard commercial article should be so exempted. But in the first place, the exemption with respect to the price of a standard commercial article is in itself too broad. Second, leasing arrangements are frequently used by firms which have obtained a monopoly or which have such a distinction in quality that even though the article may be regarded as a standard commercial article, it is not in reality a standard commercial article, so the company may be able to charge an excessive rental.

Mr. President, I had hoped that the Senator from Utah would remain in the Chamber, but apparently he is not present. I am ready to have the issue put to a vote.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection——

Mr. KEATING. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard; and the clerk will resume the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

[No. 107 Leg.]

Aiken	Fong	Mundt
Anderson	Fulbright	Muskie
Bartlett	Gore	Neuberger
Bennett	Hartke	Prouty
Bible	Hayden	Proxmire
Boggs	Hickenlooper	Randolph
Bush	Hickey	Robertson
Butler	Hill	Russell
Byrd, Va.	Holland	Scott
Byrd, W. Va.	Humphrey	Smathers
Capehart	Jackson	Smith, Mass.
Carroll	Javits	Smith, Maine
Case	Johnston	Sparkman
Church	Keating	Stennis
Clark	Long, Hawaii	Symington
Cooper	Long, La.	Talmadge
Cotton	McCarthy	Thurmond
Curtis	McClellan	Tower
Dirksen	McGee	Williams, N.J.
Douglas	Metcalf	Williams, Del.
Dworshak	Monroney	Young, N. Dak.
Ellender	Morse	Young, Ohio
Ervin	Moss	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to that portion of the committee amendment which would insert a section 3, beginning on page 2, line 15, and ending on page 3, line 10.

Mr. DOUGLAS. Mr. President, this is another amendment which comes to the Senate without a public hearing having been held upon it. It was decided upon in executive session after a very brief statement on Wednesday by the Senator from Utah [Mr. BENNETT] and very brief consideration yesterday by those members of the committee who were present.

The pending amendment, the amendment which the Senate rejected a short while ago, and the amendment which will follow, in my judgment, would seriously weaken the Renegotiation Act.

The pending amendment would provide that there could be no renegotiation of profits on articles of a so-called "standard commercial nature" which are leased to the Government. Leasing has become a greater and greater practice since it was started many years ago by the United Shoe Machinery Co. That company used leasing as a method of maintaining a monopoly. It would not sell its machinery.

Leasing has been carried on very extensively by the International Business Machines Corp., which has leased to the Government a very wide variety of electronic data processing machinery and punchcard machinery. The Government is paying rents, not prices, for this equipment.

The figures which I have gathered indicate that for data processing and punchcard machinery and equipment the Government last year paid no less than $225 million. I think it is most conservative to say that the Government is spending at least $500 million annually for leased equipment.

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

Mr. DOUGLAS. I am glad to yield to the Senator from Oklahoma.

Mr. MONRONEY. I am quite impressed by what the distinguished Senator says about data processing and punchcard machinery and equipment.

A great deal of the ever-expanding air traffic control system equipment sooner or later will be monitored by machines such as those.

While those machines might take the terminology of ordinary commercial items, is it not a fact that once one starts to use the data processing or punchcard machines for records and cards by the millions, a lease for 2 or 3 machines becomes absolutely necessary? In order for the records and cards to be operative, only that particular type of standard commercial machine can be used. The Government then becomes completely and totally locked in, at the mercy of whatever contract for lease can be made.

If we should exempt these machines from renegotiation, to provide a monopoly with respect to them, all the departments which have work of this nature could not depart from use of organ-

ized installations of this type of machine, on a nationwide basis; and would that not be a severe handicap for the Government?

Mr. DOUGLAS. I thank the Senator from Oklahoma.

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

Mr. DOUGLAS. First I wish to answer the Senator from Oklahoma.

I thank the Senator from Oklahoma. I am not an expert on electronic data processing machines, but from what I understand of them the Senator is correct. Once an organization starts using a system it is almost impossible to shift to another system or to another contractor.

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

Mr. DOUGLAS. I yield to the Senator from Utah.

Mr. BENNETT. Is it not true that for an article to qualify as a "standard commercial article" and to be subject to the exemption, the amendment provides that at least 35 percent of the identical article must have been leased or sold outside the Government?

Mr. DOUGLAS. Or under nonnegotiable terms.

Mr. BENNETT. Or under nonnegotiable terms.

Mr. DOUGLAS. The Senator is correct.

Mr. BENNETT. Most of the data processing equipment to which the Senator from Oklahoma has referred is specifically engineered for particular jobs. The figures to which the Senator from Illinois referred at least include the special equipment which has been developed, which would not qualify. I doubt very much whether all the IBM machinery could qualify as a "standard commercial article," because most of it is engineered for a specific application and a specific customer.

We have discussed this question long enough. It is obvious to me that the Senator from Illinois does not like the amendment. I suggest that the question be brought to a vote.

Mr. DOUGLAS. Mr. President, may I finish my address without being shut off by the Senator from Utah? I had not finished my remarks when I yielded to the Senator.

Mr. BENNETT. Did I attempt to shut the Senator off?

Mr. DOUGLAS. If the Senator did, he will not be successful. But I am ready to believe that was not his intention.

I think it is evident that there are many complexities in regard to this question, and that we should at least have a public hearing upon it, and invite expert witnesses to testify, so that adequate evidence may be taken. The question should not be decided on the basis of ex parte arguments. It may be that if an adequate hearing is held the Senator from Utah will be proved to be correct, although I do not believe this will be the case.

We certainly do not have sufficient evidence at present to indicate that he is correct. It seems to me very wise, therefore, that we should not rush this amendment through when the act has operated for 11 years without that provision.

In the day that I have had available to study the matter, I have collected some evidence on what the rates of profit have been on certain equipment which has been leased. I should like to state that material for the benefit of Senators who were not present when I originally spoke.

Let us consider case A, in which there was a rental of microfilming equipment. The rental price was $75,270. The profit was $31,511. The profit rate was 42 percent.

I ask the Senate to consider case B, in which the rentals amounted to $261,453. The profit amounted to $142,603. The profit rate was 54 percent.

In a third case, which we shall call case C, the rental income amounted to $1,191,203, the gross profit came to $802,156, or a profit rate of 67.3 percent.

I emphasize that this rate is a gross profit rate and not necessarily a net profit rate. It indicates, however, a very high rate of profit.

In a fourth case, which we might call case D, machinery rentals in 1951, 1952, and 1953 paid by the Government to the company amounted to $36,000, $57,000, and $59,000, respectively, with a corresponding profit of $26,000, $50,000, and $50,000, or a profit rate of 72 percent, 87.6 percent, and 84.1 percent.

I have had only a few hours in which to collect that information, but I submit that this information is sufficient to indicate that if those items were exempt from renegotiation, as the Senator from Utah would do, we would compel the taxpayers in those instances at least, to pay excessive profits to those concerns which, because of patents or prestige, are able to obtain excessively high lease prices from the Government.

I see no advantage in the proposal of the Senator from Utah.

I think it is extremely dangerous.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

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

Mr. DOUGLAS. I am glad to yield.

Mr. GORE. If an agency installs, even in a limited way, a particular brand of data processing electronic equipment and later finds need to augment greatly the application of that particular process, is not that particular brand of equipment, because of the preparation of the punch card and the system, almost locked into the system?

Mr. DOUGLAS. I think both the Senator from Tennessee [Mr. GORE] and the Senator from Oklahoma [Mr. MONRONEY] are correct on that point, not only with respect to the technique of the machine, but in the training of the personnel. The whole staff is geared to that particular type of machine.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendment concerning section 3. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], the Senator from Georgia [Mr. RUSSELL], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], and the Senator from Missouri [Mr. LONG] are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from North Carolina [Mr. JORDAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Michigan [Mr. MCNAMARA], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], the Senator from Georgia [Mr. RUSSELL], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], the Senator from California [Mr. KUCHEL], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Iowa [Mr. MILLER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Wisconsin [Mr. WILEY] are also necessarily absent.

The Senator from Colorado [Mr. ALLOTT] and the Senator from Kentucky

[Mr. COOPER] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Maryland [Mr. BEALL], the Senator from Kansas [Mr. CARLSON], the Senator from Nebraska [Mr. HRUSKA], the Senator from California [Mr. KUCHEL], the Senator from Iowa [Mr. MILLER], the Senator from New Hampshire [Mr. MURPHY], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 28, nays 38, as follows:

[No. 108 Leg.]

YEAS—28

Aiken	Dworshak	Scott
Bennett	Ellender	Smathers
Boggs	Fong	Smith, Maine
Bush	Hickenlooper	Talmadge
Butler	Holland	Thurmond
Byrd, Va.	Keating	Tower
Capehart	Long, La.	Williams, Del.
Cotton	Mundt	Young, N. Dak.
Curtis	Prouty	
Dirksen	Robertson	

NAYS—38

Anderson	Hayden	Morse
Bartlett	Hickey	Moss
Bible	Hill	Muskie
Byrd, W. Va.	Humphrey	Neuberger
Carroll	Jackson	Proxmire
Case	Javits	Randolph
Church	Johnston	Smith, Mass.
Clark	Long, Hawaii	Sparkman
Douglas	McCarthy	Stennis
Ervin	McClellan	Symington
Fulbright	McGee	Williams, N.J.
Gore	Metcalf	Young, Ohio
Hartke	Monroney	

NOT VOTING—33

Allott	Gruening	McNamara
Beall	Hart	Miller
Burdick	Hruska	Morton
Cannon	Jordan	Murphy
Carlson	Kefauver	Pastore
Chavez	Kerr	Pearson
Cooper	Kuchel	Pell
Dodd	Lausche	Russell
Eastland	Long, Mo.	Saltonstall
Engle	Magnuson	Wiley
Goldwater	Mansfield	Yarborough

So the committee amendment was rejected.

Mr. DOUGLAS. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY. Mr. President, in order that the Senate may have some idea of how much longer the bill will be under consideration, I have consulted with the Senator from Indiana [Mr. HARTKE], who will speak in opposition to one other section of the bill which is in the nature of a committee amendment. I ask unanimous consent that the debate on that section of the bill be limited to 15 minutes to a side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, now that the Senate has disposed of the conference report on the export control bill, I understand that probably the only thing which might call the Senate back into session tomorrow is the possibility of an agreement on the so-called sugar bill conference report. I should like to inquire what the majority leader has in mind for the remainder of the evening, especially in view of the fact that the House has adjourned.

Mr. HUMPHREY. Mr. President, there is a possibility that the conferees on the sugar bill may complete their work this evening, probably soon. If that were to happen, I hope the Senate might act first on the conference report. I understand the House will be in session tomorrow.

I have also been told by the Acting Secretary of State, Mr. Ball, that if immediate action were not taken on the sugar bill conference report, there would be no problem so far as the Government is concerned; there would be no danger of a mass movement of sugar into the American market under terms other than the Sugar Act. Therefore, it would be my intention to have the Senate go over until Monday noon. But I shall reserve a decision on that point for awhile until we know what action the conference committee has taken. It is possible that the Senate might consider the conference report on the sugar bill tonight.

Mr. DIRKSEN. What is the program for the rest of the day?

Mr. HUMPHREY. It is proposed to take up three minor bills which have been cleared with the leadership on both sides of the aisle. They are relatively noncontroversial, since no minority views were filed with respect to them. They are:

Calendar No. 1628, H.R. 8045, to change the name of the Hydrographic Office to U.S. Naval Oceanographic Office;

Calendar No. 1629, H.R. 8982, authorizing the Dow Chemical Co. to construct, maintain, and operate a bridge across the Rio Grande at or near Heath Crossing, Tex.; and

Calendar No. 1630, H.R. 9883, to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex.

The first bill has been cleared by the Committee on Armed Services; the remaining two bills have been cleared by the Committee on Foreign Relations.

Also, we shall take up the conference report on the supplemental air carrier bill.

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

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. The bridge bills provide for the construction of bridges across the Rio Grande River, Tex., do they not?

Mr. HUMPHREY. Yes.

Mr. HICKENLOOPER. Do they contain amendments to place limitations on the franchises?

Mr. HUMPHREY. Yes.

Mr. HICKENLOOPER. One bill provides for a perpetual franchise, with no limitation.

Mr. HUMPHREY. The committee limited the franchises.

Mr. HICKENLOOPER. If those amendments have been adopted by the committee, as I understand is the case, I shall raise no objection.

Mr. HUMPHREY. The amendments have been adopted by the committee.

Mr. HICKENLOOPER. I have no objection, so long as the franchises contain the standard limitations.

Mr. HUMPHREY. The only other item is the conference report on supplemental air carriers, which it is proposed to take up immediately.

The Senate will reconvene on Monday, at noon, and take up the so-called medicare amendment, which the Senator from New Mexico has proposed to the Social Security Act.

Mr. DIRKSEN. I take it that the program which the Senator has outlined is contingent on agreement by the conferees to the conference report on the sugar bill.

Mr. HUMPHREY. That is correct. If the conferees agree to a report on the sugar bill, it is hoped to act on the conference report tonight. If they should agree tonight, and the House were to act tomorrow, I would propose a session tomorrow to act on the conference report on the sugar bill.

Mr. DIRKSEN. I suggest that there be a quorum call if and when it appears that action may be taken on the sugar bill conference report.

Mr. HUMPHREY. I shall certainly have a quorum call, and no action will be taken without consultation with the minority leader.

SUPPLEMENTAL AIR CARRIERS—CONFERENCE REPORT

Mr. MONRONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendment of the House to the bill (S. 1969) to amend the Federal Aviation Act of 1958, as amended, to provide for supplemental air carriers, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MONRONEY. Mr. President, this is a unanimous report of the conferees of both the House and the Senate on the supplemental air carrier bill.

I regret to have to report to the Senate that the bill as agreed upon in conference departs quite substantially from the economic provisions which the Senate has endorsed on two occasions in passing this bill. The conference report contemplates a supplemental air carrier industry much more limited in terms of its role in air transportation than that which was envisaged by the committee and endorsed by the Senate.

The conference report adopts the provisions of the House bill limiting the permanent role of these carriers to char-

ter service. The Senate bill had provided that the Board might issue certificates to these carriers permitting them to engage in individually ticketed operations as might be required by public convenience and necessity, but required the Board to impose such limitations on certificates as are necessary to insure that individually ticketed operations did not result in a significant diversion of traffic from the regularly certificated route carriers.

This amendment was included by reason of the diligence of the distinguished Senator from New Hampshire [Mr. COTTON].

I am convinced that the provisions of the Senate bill would have produced a stronger supplemental industry, one better able to serve the needs of the Nation in both peace and war. However, it became apparent that the only way legislation could be obtained was by accepting the House provision limiting these carriers to charter operations. The Senate conferees therefore agreed to the provisions of the House bill provided the House agreed to an amendment making temporary provision for limited individually ticketed service by supplemental carriers for a period of 2 years from the date of passage of the act. The Senate conferees felt that such a provision was essential because many supplemental carriers had derived a significant proportion of their revenues from individually ticketed operations. We did not believe that it was reasonable to expect that such carriers could immediately convert to an all-charter operation and still survive.

Section 9 of the bill as agreed to in conference provides that the Civil Aeronautics Board may, if it finds such authorization to be in the public interest to permit an orderly transition to all-charter operations, authorize a supplemental carrier to perform individually ticketed and individually waybilled services for a 2-year period subject to such terms, conditions, and limitations as the Board may prescribe. This authority is subject to the restriction that the annual gross revenue from individually ticketed services may not exceed the average annual gross revenue from such services which a carrier derived during a 3-year period ending December 31, 1961. It is not the intention of the conferees that the authority of supplemental carriers to perform individually ticketed services be further restricted by the Board in the absence of some special circumstances requiring it. As a general rule, it is intended that these carriers be permitted to perform individually ticketed services provided that the revenues therefrom do not exceed the statutory maximum. Some discretion should be allowed in order to give the carriers a fair opportunity to adjust their operations to an all-charter authority.

The charter definition contained in the Senate version of the bill was omitted from the bill agreed to by the conferees. This was done unilaterally by the Senate conferees because of the decision which had been made on individually ticketed authority. The charter definition would have operated to prohibit the granting of split charters—that is, the transportation of more than one charter group in a single aircraft. We felt that the Board should be left free to determine on its merits the desirability of permitting the supplemental carriers to conduct such charters, in view of the fact that the charter business will ultimately represent the only source of revenue for these carriers. Another reason why we desired to leave the Board sufficient flexibility so that it might permit split charters was the effort of the Defense Department to encourage these carriers to acquire modern turbine-powered equipment for the civil reserve air fleet. The size of such aircraft makes it virtually impossible to find a charter group sufficiently large to fill an entire aircraft.

In contrast to the economic provisions of the bill, I am happy to report that the essential objectives of the Senate provisions with respect to minimum service requirements, standards of financial fitness, liability insurance, performance bonds, and the filing of reports, were retained in the substitute agreed to. However, the substitute agreed to is in several respects more strict, and certain language clarifications of the Senate provisions were adopted in order to provide more efficient and expeditious administrative enforcement.

Mr. President, this bill is a far cry from that which the Senate committee recommended and which the Senate passed. However, I am convinced that its advantages far outweigh its disadvantages. It should give the supplemental air carriers a permanent place in the aviation community and permit the Board to restrict its membership to carriers whose managements have demonstrated their willingness and ability to conduct safe operations in accordance with the Board's regulations. This industry deserves an opportunity to grow and develop as a national transportation asset, and this can only come when we put an end to the uncertainty as to its legal status through which it has suffered for so many years.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, a statement by the distinguished junior Senator from California [Mr. ENGLE] explaining in full the Engle amendment.

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

STATEMENT BY SENATOR ENGLE

Section 3 of S. 1969 would amend section 401(e) of the Federal Aviation Act so as to provide that any carrier other than a supplemental carrier may make charter trips without regard to the type of service provided in its certificate of public convenience and authority. This amendment is designed to and does grant to cargo carriers the same authority to perform charter service as the passenger carriers now enjoy. Upon amendment of section 401(e) all common carriers will have the same authority to perform charters for passengers and for cargo. The cargo carriers are merely placed upon the same legal basis as the passenger carriers for their charter operation and they will become subject to the same regulations of the Board governing other common carriers.

Section 401(e) as presently worded has been interpreted to limit the authority of cargo carriers so as to preclude them from providing charters for passengers. The Civil Aeronautics Board, recognizing the necessity in the public interest of charters for passengers by cargo carriers, has granted, under section 416 of the Federal Aviation Act, exemptions to cargo carriers to authorize cargo carriers to perform passenger charter services, particularly for the Military Establishment. The committee of conference has roundly denounced the Board's excessive use of its exemption power in connection with large-scale charter operations generally. The bill before us is designed to deal generally with the problem thus posed. The amendment of section 401(e) deals specifically with the elimination of the need for exemptions pursuant to which cargo carriers perform charters for the carriage of passengers.

Authority for cargo carriers to provide passenger charters is vitally needed in the public interest and for national defense. These cargo carriers have provided the major civil augmentation airlift for the Military Air Transport Service for both cargo and passengers. Since 1957 the Appropriations, Armed Services and other Committees of the Congress and the Department of Defense have recognized the great contribution to the national defense by the cargo carriers.

These committees of the Congress and the Department of Defense have urged the civil air carriers to procure modern cargo aircraft, convertible to military passenger traffic, for assignment to the Civil Reserve Air Fleet, in order that the deficit in our national wartime air cargo capability may be overcome. In response to the wishes of the Congress and the Department of Defense the cargo carriers have purchased and assigned to the Civil Reserve Air Fleet more modern convertible cargo aircraft than all other air carriers combined. These carriers have already purchased 21 modern turbine-powered convertible cargo aircraft at a capital cost in excess of $100 million. These aircraft are all committed to the Civil Reserve Air Fleet. Practically all of them now delivered are engaged in traffic for MATS—many in the transportation of passengers.

It is imperative, if these aircraft are to be continued in operation and are to be available to MATS, that these cargo carriers be given the statutory authority to perform passenger charter service which is provided by the bill here before us.

Against heavy odds, the cargo carriers are building an air cargo industry for the United States, without Government subsidy. Their ability to develop this new business and to create new fleets of modern aircraft has been made possible in the main by their charter activities. Without the amendment to section 401(e) of the Federal Aviation Act which is included in the bill before you, the cargo carriers would be the only carriers who would not be permitted to perform both cargo and passenger operations without applying to the CAB for exemptions. This bill as reported by the committee of conference will correct this situation and will give to the cargo carriers the same authority enjoyed by passenger carriers in providing charter services of all types, no more and no less.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. COTTON. Mr. President, the conference agreement, basically does these things:

First. Creates a class of supplemental air carriers whose field of activity will be providing plane-loan charter services.

Second. Permits the CAB to allow supplemental air carriers who have carried passengers on an individually ticketed basis in the past 3 years to continue to do so for 2 more years, to permit an orderly transition to all-charter operations.

Third. Abolishes all present rights of every supplemental air carrier after 90 days, and gives the CAB new power to issue certificates or interim operating authority only to those supplemental air carriers it finds are fit, willing, and able.

Fourth. Gives the CAB broad new powers to safeguard the public against safety and economic abuses which have occasionally manifested themselves with respect to supplemental air carriers.

Frankly, I regard the bill drafted by the conference committee as an improved modification of the measure which passed the Senate earlier this year. It has my wholehearted support, and I urge its adoption.

I do wish to comment briefly on one aspect of the conference committee's action. The conferees agreed to drop the language in the Senate bill which defined charter service, and permitted the sale of tickets on charter flights to individual members of the general public who were on all-expense-paid tours. I am wholly in accord with the action in eliminating the all-expense tour provision and thus refusing to confer this power on the Board.

The elimination from the bill of the general Senate language defining charter service should not, however, in my view, be construed as giving the Board any kind of carte blanche with respect to long-established principles of law relating to charters. The Civil Aeronautics Board has, in the past, rejected proposals to water down the safeguards against the abuse of charter service, and I hope the Board will continue to be firm in this respect. The Board has a serious obligation to see that charter services do not become individually ticketed services through subterfuge or abuse.

Passage of this legislation, in my view, marks another constructive step in the evolution of this Nation's air transportation services.

I wish to add my tribute, Mr. President, to the distinguished Senator from Oklahoma [Mr. MONRONEY], who has long and painstakingly guided this bill through perhaps the most tiring and laborious conference committee that I have ever served on in my 8 years in the House of Representatives and my 8 years in the Senate. He has been patient, firm, fair, and reasonable; and to him goes much of the credit for our coming up with what I regard—and I am sure all the Members of the Senate conferees and all the members of the Commerce Committee's subcommittee also regard it in the same way—as a step forward and a highly constructive piece of legislation.

Mr. SCOTT. Mr. President, will the Senator from New Hampshire yield?

Mr. COTTON. I am very happy to yield.

Mr. SCOTT. I should like to echo what the Senator from New Hampshire has said regarding the difficulties encountered in working out the conference committee report, and also what he has said about the extremely capable, patient, and efficient manner in which the Senator from Oklahoma [Mr. MONRONEY] and, let me say, also the Senator from New Hampshire [Mr. COTTON] have worked in preparing this measure. The many difficulties which were encountered have been overcome, it seems to me, in such a way as to give us a much more satisfactory solution, which should lead to wiser handling of the entire problem relative to the nonscheduled airlines.

Mr. President, the conference report before us marks the end, we hope, of a long series of controversies about the role of the supplemental air carrier in our national air transport picture. The bill establishes a permanent place in air transportation for supplemental carriers, or nonskeds, as they were formerly called, by authorizing them to perform charter flights.

But the bill does much more than just find a proper place for the supplemental air carriers. Its additional features, in a large measure, go back to a windy fall evening last November. On November 8, 1961, an Imperial Airlines Constellation crashed while trying to make an emergency landing at Richmond, Va. On board were 74 Army recruits from Wilkes-Barre, Pa., Newark, N.J., and Baltimore, Md., on their way to Fort Jackson, at Columbia, S.C. All were killed by the fire which swept the plane after it crashed. The accident properly shocked the Nation, and set in motion a long chain of events, some of which come to a culmination in this legislation.

As modified and revised by the Senate Commerce Committee and by the conference committee, the bill before us gives the Civil Aeronautics Board broad new powers with respect to supplemental air carriers. These powers give the Board ample authority to apply strict safety standards to these air carriers. The Board, under this legislation, will require supplemental airlines to carry adequate liability insurance, to post performance bonds to protect passengers against being stranded, to fly frequently enough to maintain their proficiency, and to maintain continuous compliance with the standards of fitness. The Board would have the power, under the bill, to suspend the certificates of carriers which did not meet the required standards.

In addition, the bill gives the Civil Aeronautics Board a strong directive to weed out supplemental airlines whose safety and economic fitness records brand them as poor risks for the traveling public.

I am confident the Board will use these powers in such a way as to give maximum safety to the traveling public and to give the Nation a body of supplemental air carriers who are safe, reliable, and useful.

The additional duties that the bill imposes on the CAB will supplement the authority which the Federal Aviation Agency already has to ground any airline which fails to meet the standards of safety which must be imposed for the protection of the public.

I am pleased to support the bill; and I want to commend the distinguished Senator from Oklahoma [Mr. MONRONEY], the chairman of the Senate Aviation Subcommittee, for his long, diligent, and productive labor on this bill, and also the able Senator from New Hampshire [Mr. COTTON] who as the ranking minority member of the subcommittee contributed very effectively to the strength of the bill.

We have all labored for a long time on this legislation, but I think the results will prove worth the effort.

Mr. President, the bill contemplates that the supplemental air carriers will, after a 2-year transition period, be authorized to operate only in the charter service. They will not be authorized to conduct individually ticketed services, except as the Board specifically authorizes such service for a brief period to relieve peak demands over particular routes.

While the bill thus contemplates only charter services by the supplementals, it does not define "charter." It does not need to do so. The act has, since 1938, authorized charter trips by scheduled airlines without regard to the points named in their certificates under Board regulations. The meaning of charter in air transportation has become well established law, and it would have been superfluous to write it into the present bill.

A charter, in air transportation, means that a single person or organization has contracted for the entire capacity of the aircraft for a given trip or a given time. This is entirely distinct from the situation where a person or group of persons buy tickets for some seats on the airplane, and other persons or groups buy tickets for other seats on the airplane. There could, for example, be no such thing as a "charter" for half, or some other fraction, of the airplane, with the remainder of the seats on the plane being sold to individually ticketed passengers, or ostensibly "chartered" to additional persons or groups.

Another essential element is that the person who charters an airplane cannot resell the space to individuals or solicit the general public to buy space. This is necessary to prevent breakdown of the regulatory system, and most particularly the rate regulatory system. If this were not one of the rules, a travel agent could charter an airplane, and then offer the seats to the general public at less per head than the tariff fares the airplane must observe as to each passenger.

The Senate bill proposed to modify the established concept of charter by permitting charters to "a group on an all-expense-paid tour." Such a group could have been assembled from the general public. This would have meant that travel agents could have chartered aircraft, and then sold the space to ordinary passengers traveling on all-expense tours.

The committee of conference wisely eliminated the Senate provision. The bill thus, in effect, confirms the established law as to a charter in air transportation. There should be no question about that. The Congress has considered, and has rejected, a proposal to change the established meaning of charter so as to have permitted travel agent charters for all-expense tours. Such charters have no place in air transportation. This being the thrust of the congressional action, it would be clearly improper if the Civil Aeronautics Board were hereafter to undertake to rewrite

the law and to authorize, under guise of charter, all-expense-tour operations, or split charters for less than the entire capacity of the airplane.

I mention the latter point because I understand there have been proposals, from time to time, that the Board should by administrative fiat do to the definition of "charter" what the Congress has refused to do. The record, in my view, is clear that the Board has no such latitude.

Mr. THURMOND. Mr. President, I should like to emphasize the great importance of maintaining the concept of charter which has historically prevailed in the CAB economic regulations. This concept is that a charter consists of a full planeload comprised of a single homogeneous charter party.

I am advised that the CAB Bureau of Economics has advocated that a so-called all-expense tour concept be grafted onto the existing charter definition. This would be intolerable, and has been expressly rejected by the conferees. The Senate receded from its charter definition which included this all-expense tour provision.

Therefore, I want to emphasize that the CAB must continue its historic charter definition. Any erosion of this concept would defeat the purpose of this supplemental legislation, and would undermine the congressional intent that the supplementals, after the 2-year phasing out period, shall not conduct any individually ticketed business, but, rather, shall concentrate exclusively on full planeload charters.

Air transportation has suffered from the abuses of individually ticketed operations. The law violations in this area have all too frequently extended to infractions of safety provisions as well. It is for this reason that I want to emphasize the insistence of Congress that supplemental operations shall be confined to full planeload charter operations exclusively.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SPARKMAN. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. MONRONEY. I am happy to yield for a question.

Mr. SPARKMAN. If I correctly understand the conference report, the action of the conference committee is to abandon completely the 10-trips-a-month pattern.

Mr. MONRONEY. That was eliminated by court decision, which held that, in the absence of specific statutory authority, the Civil Aeronautics Board was precluded from imposing frequency limitations on supplemental air carriers. This measure defines "supplemental air carriers," and on a permanent basis would permit them to engage in passenger and cargo charter operations. For a period of 2 years they would be permitted to engage in individually ticketed operations.

Mr. SPARKMAN. I wanted to clear up this point because, if the CAB makes regulations to carry out this provision, I want to be certain that the CAB will not go back to the 10-trips-a-month pattern.

Mr. MONRONEY. There is nothing in the conference report that sets out any number of trips. The extent of individually ticketed operations should, of course be consistent with good management and the public service to be provided.

Mr. SPARKMAN. Which would be economical operations?

Mr. MONRONEY. That is correct. I assume that if all the supplemental air carriers were flying between the same points on the same day, for example, the Civil Aeronautics Board might find that some economic regulation was necessary to provide against overservice.

Mr. SPARKMAN. Mr. President, I wish to speak a word of commendation for the Senator from Oklahoma. He has worked long and hard. He has been working on this problem for years. He has displayed great patience, tenacity, and courage in advocating the changes he has recommended in such a way as to protect the supplemental carriers, and at the same time provide good and safe service.

I commend him for the work he has done.

Mr. MONRONEY. I am deeply grateful to the Senator from Alabama, who has always been very helpful in the small business aspects of aviation.

In closing, let me say that no one was completely satisfied with the final form of the bill. All the interested segments of the aviation community have lost with respect to some of the provisions they thought desirable, but it is the best compromise that can be achieved.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

EXTENSION OF THE RENEGOTIATION ACT OF 1951

The Senate resumed the consideration of the bill (H.R. 12061) to extend the Renegotiation Act of 1951.

Mr. TALMADGE. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing to part 3 of the committee amendment to H.R. 12061.

Mr. TALMADGE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. Is it not true that the unanimous-consent agreement is now in order?

The PRESIDING OFFICER. The unanimous-consent agreement is now in order, allowing 15 minutes to a side.

Mr. TALMADGE. Mr. President, I yield myself 5 minutes.

Mr. President, if Senators will remain on the floor very briefly, I think we can complete action on this measure. It is a matter of great importance under a republican form of government. I feel sure virtually everyone in America, and most Senators, think that American citizens have an absolute right of legal appeal on a legal question in a court of law; but that absolute right does not exist. I want to read from page 24 of the Renegotiation Act of 1951, as amended, and codified in section 108:

> Upon such filing such court shall have exclusive jurisdiction by order to finally determine the amount, if any, of such excessive profits received or accrued by the contractor or subcontractor, and such determination shall not be reviewed or redetermined by any court or agency.

The appellate procedure in renegotiation matters is to go from the Renegotiation Board to the Tax Court; and in the Tax Court that procedure is de novo. In the Tax Court it is final both as to the law and amount, with two exceptions. There can be an appeal from the Tax Court to the circuit courts on constitutional questions. There can also be an appeal on jurisdictional questions. But every other procedure commonly known to the Anglo-Saxon legal procedure in the United States has been denied.

I think all American citizens should have the same rights as traitors, murderers, rapists or felons. They should have a day in a court of law on legal questions. That is all the amendment pending before the Senate at the present time would do.

It has been recommended by the American Bar Association. They were shocked and astounded, as I was, when they learned that citizens did not have a legal right to go into a legal court on a legal question.

I ask unanimous consent at this point that the resolution passed by the section of taxation of the American Bar Association on February 19, 1962, be inserted at this point in the RECORD.

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

RESOLUTION SUBMITTED BY THE SECTION OF TAXATION TO THE HOUSE OF DELEGATES OF THE AMERICAN BAR ASSOCIATION ON FEBRUARY 19, 1962, AND ADOPTED THEREBY

Resolved, That the American Bar Association recommends to the Congress that the Renegotiation Act of 1951 be amended to provide a right of appeal from decisions of the Tax Court of the United States to the U.S. courts of appeals; and be it further

Resolved, That the association proposes that this result be effected by amending section 108 of the Renegotiation Act of 1951; and be it further

Resolved, That the section of taxation is directed to urge the following amendment, or its equivalent in purpose and effect, upon the proper committees of Congress:

"SECTION 1. The second sentence of section 108 of the Renegotiation Act of 1951 is amended to read as follows (eliminate the matter in black brackets and insert new matter in italic):

" 'Upon such filing such court shall have exclusive jurisdiction, by order, to [finally] determine the amount, if any, of such excessive profits received or accrued by the contractor or subcontractor, and such determination shall not be reviewed or redetermined by any court or agency *except that it may be reviewed as provided in subsections (a) and (c) of section 7482 of the Internal Revenue Code of 1954.*'

"SEC. 2. The amendment made by section 1 shall be applicable to decisions entered on or after the date of enactment thereof."

EXPLANATION

The Renegotiation Act of 1951 presently provides that decisions of the Tax Court in renegotiation cases shall be final and shall not be subject to judicial review. (See sec. 108. Review by the Tax Court, copy attached

hereto.) Thus, the Tax Court's jurisdiction provides the sole guarantee of due process of law. It is apparent, however, that just as in tax cases the Tax Court may unwittingly make serious errors of law which should be subject to judicial review. No important reason exists why there should not be a right of appeal, and the Renegotiation Act is unique among Federal legislation in denying the right of judicial review of agency action. Accordingly, the act should be amended to provide a right of appeal.

The Renegotiation Act will expire on June 30, 1962. Indications are that it will be extended for a further period of 4 years. It is essential that action be taken now because Congress will consider such extension in the near future, and it is most important that the right of appeal be written into the law in connection with this extension.

In 1959 the House of Representatives passed H.R. 7086, section 6 of which provided for appeal of Tax Court decisions in renegotiation cases to the District of Columbia Court of Appeals. Also, in 1958 the House of Representatives passed H.R. 11749, section 3 of which amended the Renegotiation Act to provide that Tax Court decisions could be "reviewed as provided in subsections (a) and (c) of section 7482 of the Internal Revenue Code of 1954." The change failed of enactment on both occasions when the Senate adopted simple extension provisions and the House of Representatives concurred. The change proposed in this resolution would incorporate by reference in the Renegotiation Act the provisions of section 7482 of the Internal Revenue Code of 1954 which provide for review of Tax Court decisions in tax cases by the courts of appeals and would leave unchanged the venue provision of section 108A of the Renegotiation Act. Thus, decisions of the Tax Court in renegotiation cases would be made reviewable in the same manner and to the same extent as are decisions of that court in tax cases.

Mr. TALMADGE. Mr. President, this amendment does not change the law in any way whatsoever, except that it gives a right of legal appeal on legal questions.

The final determination of any excessive profits would be made by the Tax Court, as it is now. That procedure would not be changed one iota. In fact, in one respect we have made the law more restrictive than it was. We have provided that interest may run beyond a 36-month period, which is the present limitation on that point.

If there ever was a proposition on the Senate floor which deserved the support of every Senator who believes in a constitutional, free republic, this amendment does. It only gives to the citizens of this country the right of appeal on legal questions—something that most of us thought was already guaranteed.

I reserve the remainder of my time.

Mr. HARTKE. Mr. President, I objected to this amendment in committee. It passed over the objection of a few of us in committee.

In the first place, I agreed at that time in the committee that if we could have a hearing upon this matter, a public hearing, and have a discussion of the issues which were involved, I would be willing to agree to the amendment, if the accusations and statements which were made by the Senator from Georgia were proved. In fact, if they were proved to be true, I would be the first to join him in the amendment.

I said I would agree that this should be done as soon as possible, as soon as we could schedule hearings before the Committee on Finance. This offer was rejected. The amendment was railroaded through. There was a vote, of course.

I do not complain about being beaten on a vote, because I have been beaten on a vote probably more times than I have won. I do not object to that procedure, but I think it is very important that this amendment, like the other two amendments, be understood. They have been brought in at the final hour. The Committee on Finance and the Senate are asked to act upon these amendments without an opportunity for a public hearing.

This is not a new proposal. Several attempts have been made to bring it before the House and the Senate. This proposal was passed by the House in 1959, but it was defeated in the Senate. The American Bar Association recommendation was brought to the House Committee on Ways and Means, and this year it was rejected because the committee thought that the appeal rights were too broad.

The reason why the Renegotiation Act is to be extended for a period of only 2 years, instead of for 4 years, as was requested by the administration, is so that questions such as these might be considered, so that the subject matter of the amendment may be fully reviewed, studied and examined, for a determination as to whether it would be in the public interest.

Everyone seems to feel that perhaps there is something unusual involved about denying rights. It sounds good to say that we wish to give everybody in America the free right to appeal. However, so far as the appeals are concerned, the rights of appeals on all matters of law and all matters of fact are identical under the Renegotiation Act to those for any other taxpayer who wishes to go before the Tax Court, with only one exception. This exception is spelled out and repeated in the amendment offered by the committee. There is no intention to change that portion of the law.

There must have been some other intent, because it is presumed that a legislative body will not act unless it acts in a useful purpose. If all that the Senator from Georgia intended to do were to have an amendment passed which would codify already existing law, that would be doing a useless thing.

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

Mr. HARTKE. If it is not a useless thing, it must be something useful. The question comes to my mind, "Useful to whom?" It certainly cannot be useful to the U.S. Government.

Mr. TALMADGE. Mr. President will the Senator yield?

Mr. HARTKE. I am delighted to yield.

Mr. TALMADGE. I stated in my preliminary remarks that I was trying to do something useful, that I was trying to give to a citizen an absolute right of appeal on legal questions. That is what the amendment would do.

It is stated in the minority views that this is thought to be a codifying of existing law. I say that is not the case. The amendment would broaden existing law. Existing law would give the right of appeal only on a constitutional question or on a question of jurisdiction. The amendment of the Senator from Georgia would broaden this to give a right to have a court of law determine legal questions on appeal.

Mr. HARTKE. Will my distinguished colleague from Georgia point out to me what words in the amendment are different from the words contained in the Internal Revenue Code, which would give jurisdiction to the circuit court of appeals to review tax cases, other than the statement that there shall be no question regarding the existence of excessive profits, or the extent thereof?

There is no place in the RECORD which shows that there is any distinction between those two provisions. Something different must be presented. The Supreme Court has decided this question and has written its decision in very clear words in *U.S.* v. *California Eastern Line*, 348 U.S. 351, 1955.

Almost the same question was before the Court, and the Court said:

> The language of section 1141 is broad enough to justify review of tax court renegotiation orders. And we cannot say that because the section was originally passed primarily to authorize review of decisions on revenue matters it should be held inapplicable to decisions on other justiciable matters entrusted to the tax court by Congress.

Justiciable matters are matters of law. This is clearly spelled out in the decision.

Those who are in favor of the amendment have brought the lawbooks to me, as I have requested. I have read the lawbooks. I have read all the cases I have been able to find which have ruled upon the same question involved in the Supreme Court decision. Eleven cases of law have been decided by the circuit court of appeals since the United States against California Eastern Line decision.

Every question of fact has been determined finally in the Tax Court. The circuit court of appeals has refused to review. This is what I do not wish to have reviewed, because this is the very heart of the Renegotiation Act. If we are to permit the appeals court to review the questions before the Renegotiation Board and the Tax Court, and to have a trial de novo in the circuit court of appeals, it will be a complete reversal of position.

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

Mr. HARTKE. It would be a complete reversal of the historical precedent that no trial de novo is ever granted in an appeals court.

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

Mr. HARTKE. I am glad to yield.

Mr. TALMADGE. The Senator knows that any appeal to the circuit court of appeals would not involve a trial de novo. It would be a trial of record.

Mr. HARTKE. I understand that.

Mr. TALMADGE. Mr. President, will the Senator yield further?

Mr. HARTKE. I am happy to yield.

Mr. TALMADGE. The Senator asked me to point out the difference involved.

I refer the Senator to page 3 of the bill, beginning with line 20. This is the limitation provided, which the Senator asked me to point out, "except as otherwise provided in this section. In no case shall the question of the existence of excessive profits, or the extent thereof, be reviewed, and findings of fact by the Tax Court shall be conclusive unless such findings are arbitrary or capricious."

Mr. HARTKE. I grant the Senator that that language appears. If the distinguished Senator from Georgia will look at the Renegotiation Act of 1951, as amended to July 13, 1959, he will find that it provides, in part:

Upon such filing such court shall have exclusive jurisdiction, by order, to finally determine the amount, if any, of such excessive profits received or accrued by the contractor or subcontractor, and such determination shall not be reviewed or redetermined by any court or agency. The court may determine as the amount of excessive profits an amount either less than, equal to, or greater than that determined by the Board.

Will my friend from Georgia tell me the distinction? There would be complete jurisdiction except as to the one question of excessive profits.

Mr. TALMADGE. First I say to the Senator, if there is no distinction between the two, the Senator should not object.

Mr. HARTKE. Will the Senator yield to me on that point?

Mr. TALMADGE. Certainly.

Mr. HARTKE. It is presumed that the Legislature will not act to do a useless thing. If this is the law, if we should enact an amendment in addition to the law we would be presumed to have changed the law. Every decision made under these cases, since United States against California Eastern Line, would have to be relitigated by the Department of Justice, and redetermined, so as to have a determination as to whether the action did or did not change the law.

Mr. TALMADGE. Does the Senator agree with me that any taxpayer should have the right of appeal on a legal question?

Mr. HARTKE. The United States against California Eastern Line case holds that the citizen has that right in connection with all renegotiations.

Mr. TALMADGE. Will the Senator answer my question? Then we can argue about the California Eastern Line case. Does the distinguished Senator from Indiana agree with me that a citizen of the United States should have a right of legal review of a legal question?

Mr. HARTKE. There is no question that a citizen is entitled to that right. The Supreme Court will protect that right.

Mr. TALMADGE. The Senator agrees that this should be accomplished.

Mr. HARTKE. That is correct.

Mr. TALMADGE. I have a copy of the Renegotiation Act of 1951, from which I read a few minutes ago. Let me read a portion:

Upon such filing such court shall have exclusive jurisdiction, by order, to finally determine the amount, if any, of such excessive profits received or accrued by the contractor or subcontractor, and such determination shall not be reviewed or redetermined by any court or agency.

Mr. HARTKE. That is correct.

Mr. TALMADGE. Would the Senator say that is not a prohibition of the right of appeal of an American citizen on a legal matter?

Mr. HARTKE. No. The question of excessive profits is a question of fact. That is all that is stated. This provision has been in the law since it began. In 11 years of operation this has been stated in the law. It is intended to cover excess profits.

There would be no denial of due process of law, of the right to justice, or of determination of legal propositions. These questions involve matters of fact.

In my opinion, all the Senator is trying to do is, by stipulation or a bill of particulars, to bring to the circuit court of appeals the question of excessive profits. That is what is sought to be done by the amendment. It is to be said that the decision on excessive profits is not to be final in the Tax Court. The amendment would permit the cases to be argued in the circuit court of appeals. That is the same as arguing damages in another court.

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

Mr. HARTKE. I yield.

Mr. TALMADGE. Would the Senator agree with me that questions relating to the statute of limitations are matters of law?

Mr. HARTKE. The statute of limitations can be a matter of law, and it can be a matter of fact. The case which the distinguished Senator from Georgia will point to states that it is a mixed question of law and fact.

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

Mr. HARTKE. I yield.

Mr. JACKSON. Did I correctly understand the Senator from Indiana to say that the question of the statute of limitations is a question of fact?

Mr. HARTKE. That is what the circuit court of appeals said. I did not say it.

Mr. TALMADGE. That is what the circuit court of appeals said when it denied jurisdiction in a matter such as the one in which the Senator from Georgia is seeking to give litigants the right of review.

Mr. JACKSON. It was on that ground, as a matter of law, that the court had no jurisdiction. If the Senator is arguing that the question of statute of limitations is not a question of law, there have been some great changes in the law.

Mr. HARTKE. No; the question did not arise on that point. If my friend from Washington has read the case and is familiar with the facts, he knows that, in substance, the question involved time when the statute began to run. The court had to fix a date at which the statute began to run. It was not a question of interpretation of the statute of limitations, but a question of fixing a date. The court said that the case involved a mixed question of fact and law. Therefore the court remanded the case to the Tax Court in accordance with that provision.

Mr. JACKSON. If I understand my friend correctly, it is then agreed that under existing law the circuit court of appeals cannot pass on questions of fact or law in renegotiation cases. Is that statement correct?

Mr. HARTKE. The circuit court of appeals can now pass on every question of law. It cannot pass on questions of fact. I pointed out to my distinguished colleague when I showed him the decision that the case was finally decided on a question of venue. It had been appealed to the Circuit Court of Appeals for the Ninth Circuit when the law provided that the appeal had to be taken to the Circuit Court of Appeals for the District of Columbia.

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

Mr. HARTKE. I yield.

Mr. GORE. Admittedly the question is a technical one. It involves interpretation of both present statute and the proposed amendment as to what is a question of fact and what is a question of law. Sometimes those questions may be greatly in dispute and overlap. The question was studied by the staff of the Joint Committee on Internal Revenue Taxation.

I should like the distinguished Senator from Indiana to read to the Senate the recommendation of the staff on the question.

Mr. HARTKE. Reading from page 7 of the report, it is stated:

It is the opinion of the staff that no change shall be made at this time in those provisions of the present law concerning the scope of appellate review of Tax Court decisions in renegotiation cases.

I thank my distinguished colleague for pointing out that language to me.

Mr. TALMADGE. Was that statement not made 6 months ago, and has the staff not worked on the question since that time, and did not the staff draw the amendment?

Mr. HARTKE. The staff drew the amendment on instructions of the Senator from Georgia. The staff drew the amendment technically correctly.

Mr. GORE. What is the recommendation of the Renegotiation Board with respect to the pending amendment?

Mr. HARTKE. The Renegotiation Board is absolutely and adamantly opposed to the proposed change. The Department of Justice is opposed to the proposed change. My understanding is that the administration is opposed to the proposed change. One of the reasons why there was an extension for only 2 years instead of 4 years, which I would have preferred, was to decide this type of issue. As I have said before, if my distinguished friend from Georgia would agree to public hearings at which a denial of rights could be demonstrated, I would be the first in this body to support the amendment. That could be done even in the next week or 10 days, in order to get the question straightened out. I do not know how in the world we could go in the face of a Supreme Court decision——

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

Mr. HARTKE. I do not know how we can go in the face of a decision of the Supreme Court, which provides that, under the law, a litigant has the right to appeal, and there is no denial of the right so far as the Renegotiation Act is concerned.

Mr. TALMADGE. Mr. President, how much time remains to the proponents?

The PRESIDING OFFICER. The Senator from Georgia has 10 minutes remaining.

Mr. TALMADGE. Mr. President, I yield 2 minutes, or such time as he may desire, to the distinguished Senator from Washington.

Mr. JACKSON. Mr. President, I shall be brief.

I remind the Senate that at the present time in all tax cases other than renegotiation cases before the Tax Court the taxpayer has the right to appeal to the circuit court of appeals on all questions of fact and law.

It is the understanding of the junior Senator from Washington that under existing decisions of the courts in renegotiation cases, the right to appeal from the Tax Court to the circuit court of appeals is limited to two areas, as pointed out by the distinguished junior Senator from Georgia. There is a right of appeal on questions of constitutional law and on jurisdictional questions.

Mr. HARTKE. Mr. President, will the Senator yield on that point?

Mr. JACKSON. I should first like to finish my point, and then I shall yield.

Several circuit courts have interpreted the Renegotiation Act to the effect that on all other questions they have no right to review the decisions of the Tax Court. In a series of decisions three circuits have refused to consider questions of law from the Tax Court. The sole purpose of the amendment offered by the distinguished junior Senator from Georgia is to give the taxpayer a right of review on such questions. If the distinguished junior Senator from Indiana makes the statement that they already have that right, what is wrong with clarifying the right by statute? That is the sole question before the Senate. I submit that in fairness and equity all citizens should have the right of review on questions of law. As I pointed out, in tax cases litigants have the right of review on questions of fact and law. Under the pending amendment we would limit the review to questions of law. I submit that it is only fair that the litigants in such a situation should have an opportunity to have review of questions of law in cases passed upon by the Tax Court.

Mr. HARTKE. Mr. President, will the Senator now yield?

Mr. JACKSON. I yield.

Mr. HARTKE. Will the distinguished Senator from Washington tell me in what case the court has found that appeals were limited to constitutional questions and to jurisdictional questions?

Mr. JACKSON. I first cite 241 Fed. 2d 439.

Mr. HARTKE. What is the name of the case?

Mr. JACKSON. The case is United States against Northwest Automatic Products Corp. In that case there was a holding that the action on the renegotiation contract was barred because it was not timely commenced. The court of appeals held that it did not have jurisdiction to review the Tax Court's decision as to timeliness in initiating action on renegotiation of Government contracts.

Other cases include *EBCO Manufacturing Co.* v. *Secretary of Commerce* 221 Fed 2d 902; *Halton-Waters Inc.* v. *United States* 243 Fed 2d 37; *Grannis & Sloan, Inc.* v. *Renegotiation Board* 285 Fed 2d 908. I submit that these courts have made very clear that on questions of law they will not review decisions of the Tax Court.

Mr. HARTKE. There still is no statement in any of those cases——

Mr. JACKSON. There need not be. If a litigant should appeal on a question of law, and a court should refuse to act on the ground that it has no jurisdiction, what else would one want from the court? If a litigant appeals on a question of law and a court decides that it does not have jurisdiction, nothing could be clearer.

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD—a list of cases, including the ones mentioned by the Senator from Washington, with a brief summary.

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

REVIEW OF APPELLATE DECISIONS IN RENEGOTIATION CASES

Appellate decisions in renegotiation cases should be examined from the point of view of the law as it existed before and after the decision of the Supreme Court in *United States* v. *California Eastern Line, Inc.* (348 U.S. 351 (1955)).

Prior to California Eastern the law in circuits which had considered Tax Court renegotiation cases (other than the ninth circuit) was that the court of appeals had jurisdiction to review Tax Court renegotiation decisions on jurisdictional and constitutional questions but lacked jurisdiction to review the Tax Court's determination of the amount of excessive profits "including questions of both law and fact in such determination," e.g., *United States Electrical Motors, Inc.* v. *Jones* (153 F. 2d 134, 136 (C.A.D.C. 1946)).

In *United States* v. *California Eastern Line, supra*, the Supreme Court reversed the Court of Appeals for the District of Columbia and held that that court had jurisdiction to review the Tax Court's decision that particular contracts were not subject to renegotiation because "the Tax Court's decision in this case is * * * subject to the normal type of review authorized by section 1141"—the provision of the Internal Revenue Code providing for review of decisions of the Tax Court.

On remand, in *United States* v. *California Eastern Line*, 231 F. 2d 754 (C.A.D.C., 1956), the court of appeals said that under the Supreme Court's decision it "became our duty to review the Tax Court's determination, and in doing so we have proceeded 'in the same manner and to the same extent as [with] decisions of the district courts in civil actions tried without a jury'"—the latter-quoted clause is the language of section 1141(a) of the Internal Revenue Code (now sec. 7482) which defines the powers of appellate courts in reviewing Tax Court decisions.

In other cases since the Supreme Court's California Eastern Line decision, appellate courts have reviewed various questions of law decided by the Tax Court in renegotiation cases as is shown by the following cases:

Lichter v. *United States*, 221 F. 2d 869 (C.A.D.C., 1955). The court of appeals reviewed a question of law of whether the Tax Court correctly decided that certain subcontracts were not exempt from renegotiation and affirmed the Tax Court. The court relied explicitly on the Supreme Court's California Eastern Line decision, noting that the Supreme Court had stated that a court of appeals could review questions of whether particular contracts were renegotiable under the broad grant of jurisdiction in section 1141 of the Internal Revenue Code to review Tax Court decisions.

Gale v. *United States*, 221 F. 2d 872 (C.A. D.C., 1955). The court of appeals reviewed a question of law of whether the Tax Court had correctly decided that the Tax Court petitioner's contracts were subject to renegotiation. It affirmed the Tax Court, again relying on the Supreme Court's California Eastern Line decision.

Hanlon-Waters, Inc v. *United States*, 222 F. 2d 798 (C.A.D.C., 1955.) The court of appeals reviewed the Tax Court's decision on two questions of law (1) whether an agreement entered into between the United States and the petitioner was a final agreement which prohibited a reopening of the renegotiation proceedings, and (2) whether the unilateral order determining excessive profits was invalid because not timely issued. The court remanded the case to the Tax Court because it did not appear that the Tax Court had considered certain provisions of the agreement which the court of appeals held to be pertinent.

Hanlon-Walters, Inc. v. *United States.* 243 F. 2d 37 (C.A.D.C., 1957). The court of appeals reviewed and affirmed the Tax Court's decision on remand of whether authority had properly been delegated to a Corps of Engineers officer to reopen a renegotiation agreement. The court analyzed the instruments delegating the authority. But the court of appeals held that it had no jurisdiction to review the Tax Court's decision that a particular letter from the Corps of Engineers official to the contractor legally constituted a reopening, relying on its own decisions, before and after California Eastern that a court of appeals has no jurisdiction to review the question of timeliness of commencement of renegotiation proceedings by the board.

Golbert v. *Renegotiation Board.* 254 F. 2d 416 (C.A. 2, 1958). The questions on appeal from the Tax Court were (1) whether petitioner was a subcontractor or a full-time employee within the meaning of the Renegotiation Act and (2) whether the Tax Court had erred as a matter of law in placing the burden of proof on Golbert to prove that he was a full-time employee and not a subcontractor. The court of appeals affirmed the Tax Court because (1) its statements in its findings and opinion that petitioner was a subcontractor were "adequately supported by substantial evidence" and (2) its decision on the burden of proof question was supported by its own rules which were promulgated under the authority of the Congress.

Gamlen v. *United States*, 261 F. 2d 81 (C.A.D.C., 1958). By an excessive profits determination of $100,000, the Tax Court had reduced a contractor's receipts and accruals from $558,288 to $458,288. The contractor argued that the Tax Court had no power to reduce its sales below the then $500,000 "floor" and that, therefore, its excessive profits, as a matter of law, could not be more than $58,288. The court of ap-

peals held that the action of both the Board and the Tax Court was authorized by statute, was consistent with the legislative history and that a regulation of the Board (not followed by the Tax Court) which prohibited reducing sales below the $500,000 "floor" was invalid.

Vaughn Machinery Co. v. *The Renegotiation Board*, 273 F. 2d 235 (C.A. 6, 1959). The court of appeals reviewed and affirmed a Tax Court decision that the contractor's subcontracts were not partially exempt from renegotiation under the then existent durable productive partial exemption provision. The sixth circuit reviewed the evidence in the Tax Court which showed that there was no basis for the contractor's contention that as a matter of law, the Government's contracts with the contractor's prime contractors were in substance leases and not sales contracts, i.e., the sixth circuit affirmed the Tax Court's refusal to look to substance rather than the form in examining the contracts.

In some post California Eastern decisions the courts of appeals have refused to review certain questions of law, e.g., in *Ebco Manufacturing Co.* v. *Secretary of Commerce*, 221 F. 2d 902 (C.A. 6, 1955), the court of appeals dismissed a petition to review the Tax Court's decision because (1) it lacked jurisdiction to review the issue of whether there was a timely commencement of a renegotiation proceeding because that issue involved a procedural question in the renegotiation process (unlike the question of the power to renegotiate involved in California Eastern) the final resolution of which the Congress had left the Tax Court, and (2) lack of venue which the court found to exist only in the Court of Appeals for the District of Columbia Circuit.

Northwest Automatic Products Co. v. *United States*, 241 F. 2d 439 (C.A.D.C., 1956). The court of appeals, on the basis of prior holdings, held that it did not have jurisdiction to review the Tax Court's decision as to the timeliness of initiating renegotiation proceedings.

Grannis & Sloan, Inc. v. *The Renegotiation Board*, 285 F. 2d 908 (C.A. 4, 1961). The court of appeals dismissed the petition for review holding that questions relating to allocations between renegotiable and nonrenegotiable business, whether certain expense items had been improperly attributed by the Tax Court to nonrenegotiable business, and questions of whether receipts from equipment transactions were rentals rather than payments on conditional sales agreements were questions by which the contractor sought to contest the determination of the amount of excessive profits. The court held that these questions were questions which the Congress "must have had in contemplation when it provided that that Tax Court's determination of the amount of excessive profits should not be reviewable."

Mr. HARTKE. If the Senate agrees to the amendment, every issue which has heretofore been laid at rest will be reopened. The door will be open to further litigation. The Justice Department has agreed that it will be swamped with litigation to reopen the very issues the Senator is talking about, which are questions of law and fact.

Mr. JACKSON. Is it not a fact that the amendment is prospective?

Mr. HARTKE. Prospective only as to cases which have not been decided.

Mr. JACKSON. It would apply only to cases filed in the Tax Court after the enactment of the pending bill. I am sure the Senator from Indiana is not arguing, as he did earlier, that this would reopen cases previously adjudicated by the courts, and that he does not believe it.

Mr. HARTKE. I never said that cases previously adjudicated by the courts would be reopened. It would open issues on cases which were previously decided.

Mr. JACKSON. How would it?

Mr. HARTKE. It is bound to do something.

Mr. JACKSON. It is going to do something. It will give the right of review on questions of law. It is that simple.

Mr. TALMADGE. Mr. President, the hour is growing late. I do not wish to detain the Senate further. The question is elementary. It is fundamental. If Senators believe that taxpayers ought to have a legal appeal on a legal question, they should vote "yes." If they feel that the time has arrived in America when a citizen is not entitled to go into court on legal questions, the thing to do, under those circumstances, is to vote "no."

It is that simple. It is that elementary.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the last committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendment and third reading of the bill.

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

The bill was read the third time and passed.

The title was amended, so as to read: "An act to extend the Renegotiation Act of 1951, and for other purposes."

Mr. TALMADGE. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. ROBERTSON. I move to lay that motion on the table.

The motion to table was agreed to.

Mr. TALMADGE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. HUMPHREY. Mr. President, we have just been informed that the conference committee on the sugar bill has completed its work and has come to an agreement. However, the preparation of the conference report is a rather tedious, long, and detailed undertaking. I understand it will not be ready until some time tomorrow.

The House will have to act first on the conference report. Since we have also been assured by the representatives of the State Department—in fact, by the Acting Secretary—that no injury would befall us if we delayed action in the Senate until Monday, according to our previous understanding, I now move that when the Senate completes its business tonight, it stand in adjournment until 12 o'clock noon on Monday.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota.

The motion was agreed to.

U.S. NAVAL OCEANOGRAPHIC OFFICE

Mr. HUMPHREY. Mr. President, there are three small bills on the calendar, action on which has been cleared by the minority leader and the majority leader. I now move that the Senate proceed to the consideration of Calendar No. 1628, H.R. 8045.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8045) to change the name of the Hydrographic Office to the U.S. Naval Oceanographic Office.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an excerpt from the committee report on the pending bill.

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

The U.S. Navy Hydrographic Office for the past 20 years has, in addition to the traditional programs encompassing hydrography and navigational safety, been active in the wide range of physical sciences referred to as oceanography. The basic mission of the Hydrographic Office has been extended by various directives from higher authority to encourage and support our oceanographic activities. In addition to the standard charts and publications primarily related to surface navigation, the Hydrographic Office is now engaged in predicting and publishing oceanic environmental conditions affecting submarine, antisubmarrine, amphibious, mine, and missile warfare.

The present trend of Hydographic Office operations toward more complex and comprehensive oceanographic activities is reflected by budget estimates and allocations which now account for approximately two-thirds of the total Hydrographic Office budget.

The present title of the Office describes a very important, but limited, part of the overall oceanographic effort. The present title is narrow and incomplete and has tended to limit general recognition and appreciation of the Navy's major contributions to oceanography.

Admiral Stephan, the Hydrographer of the Navy, has testified before the Subcommittee on Oceanography of the Merchant Marine and Fisheries Committee on April 27, 1961, as follows:

"Hydrography is the study of the shape of the ocean floor. If you were to consider the ocean a bucket of sea water, hydrography is the shape of the bucket.

"Oceanography includes the shape of the bucket but also includes the chemical, physical, biological, structure, and nature of the water in the bucket, and also the atmosphere that overlies the bucket.

"Oceanography is a very much broader subject. I think that, if they were naming the Hydrographic Office now instead of 130 years ago when it was named, we would be called the U.S. Navy Oceanographic Office. Oceanography is the Hydrographic Office business. We are concerned with charts and other publications which enable the man at sea to exploit the ocean and to navigate it safely.

"Our charts, of course, go beyond the shoreline to a significant point to enable us to position ourselves."

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

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

CONSTRUCTION OF BRIDGE ACROSS THE RIO GRANDE NEAR HEATH CROSSING, TEX.

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1629, H.R. 8982.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8982) authorizing the Dow Chemical Co. to construct, maintain, and operate a bridge across the Rio Grande at or near Heath Crossing, Tex.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations, with an amendment, on page 2, line 7, after the word "Company", to insert "for a period of sixty-six years from the date of completion of such bridge".

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an excerpt from the committee report explaining the purpose of the bill.

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

PURPOSE

With the recommended amendments, these bills will authorize the construction, maintenance, and operation of bridges across the Rio Grande in Texas by the following companies: the Dow Chemical Co. at or near Heath Crossing (H.R. 8982); the San Benito International Bridge Co. at or near Los Indios (H.R. 9883); and the Starr Camargo Bridge Co. at or near Rio Grande City (H.R. 3238). The bills contain the usual provisions pertaining to bridges across the international boundary of the United States: (1) that construction be in accordance with the General Bridge Act of 1906; and (2) that the approval of the International Boundary and Water Commission, United States and Mexico, and of the proper authorities in the Republic of Mexico be obtained. In addition, the bills provide that the bridges involved become toll free after a period of 66 years has elapsed from the date of completion. The authority contained in H.R. 8982 will expire if the bridge is not begun within 1 year and completed within 3, while H.R. 9883 provides that the act be null and void if the bridges concerned are not begun within 3 years and finished within 5 years.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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

The bill was read a third time and passed.

CONSTRUCTION OF TOLL BRIDGE ACROSS THE RIO GRANDE NEAR LOS INDIOS, TEX.

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1630, H.R. 9883.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 9883) to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

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

That (a)(1) the San Benito International Bridge Company of San Benito, Texas, is authorized to construct a toll bridge and approaches thereto across the Rio Grande, at a point suitable to the interests of navigation, at or near Los Indios, Texas, and for a period of sixty-six years from the date of completion of such bridge, to maintain and operate such bridge and to collect tolls for the use thereof, so far as the United States has jurisdiction over the waters of such river; and (2) the Starr-Camargo Bridge Company of the State of Texas is authorized to construct a toll bridge and approaches thereto across the Rio Grande, at a point suitable to the interests of navigation, at or near Rio Grande City, Texas, and for a period of sixty-six years from the date of completion of such bridge, to maintain and operate such bridge and to collect tolls for the use thereof, so far as the United States has jurisdiction over the waters of such river.

(b) In the case of each such bridge, the construction, maintenance, and operation authorized by this Act shall be in accordance with the provisions of the Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906 (33 U.S.C. 491 to 498, inclusive), and shall be subject to (1) the conditions and limitations contained in this Act, (2) the approval of the International Boundary and Water Commission, United States and Mexico, and (3) the approval of the proper authorities in the Republic of Mexico.

SEC. 2. Each of the companies referred to in the first section of this Act may fix and charge tolls for transit over the bridge which it is authorized under such section to construct, in accordance with the laws of the State of Texas, and the laws of the United States, applicable to such tolls, and the rates of toll so fixed shall be the legal rates until changed under the authority contained in section 4 of the Act of March 23, 1906 (33 U.S.C. 494).

SEC. 3. Each such company may sell, assign, transfer, or mortgage the rights, powers, and privileges conferred on it by this Act, to any public agency, or to an international bridge authority or commission, and any such agency, authority, or commission is authorized to exercise the rights, powers, and privileges acquired under this section (including acquisition by mortgage foreclosure) in the same manner as if such rights, powers, and privileges had been granted by this Act directly to such agency, authority, or commission.

SEC. 4. Notwithstanding the provisions of section 6 of the Act of March 23, 1906 (33 U.S.C. 496), this Act shall be null and void as to any bridge authorized to be constructed by this Act unless the actual construction of such bridge is commenced within three years and completed within five years from the date of enactment of this Act.

SEC. 5. The right to alter, amend, or repeal this Act is expressly reserved.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point an excerpt from the committee report on the bill explaining its purpose.

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

PURPOSE

With the recommended amendments, these bills will authorize the construction, maintenance, and operation of bridges across the Rio Grande in Texas by the following companies: the Dow Chemical Co. at or near Heath Crossing (H.R. 8982); the San Benito International Bridge Co. at or near Los Indios (H.R. 9883); and the Starr Camargo Bridge Co. at or near Rio Grande City (H.R. 3238). The bills contain the usual provisions pertaining to bridges across the international boundary of the United States: (1) that construction be in accordance with the General Bridge Act of 1906; and (2) that the approval of the International Boundary and Water Commission, United States and Mexico, and of the proper authorities in the Republic of Mexico be obtained. In addition, the bills provide that the bridges involved become toll free after a period of 66 years has elapsed from the date of completion. The authority contained in H.R. 8982 will expire if the bridge is not begun within 1 year and completed within 3, while H.R. 9883 provides that the act be null and void if the bridges concerned are not begun within 3 years and finished within 5 years.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

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

The bill was read the third time and passed.

The title was amended, so as to read: "An Act to authorize the San Benito International Bridge Company to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Texas, and to authorize the Starr-Camargo Bridge Company to construct, maintain, and operate a toll bridge across the Rio Grande near Rio Grande City, Texas."

LEGISLATIVE PROGRAM

Mr. HUMPHREY. So that the RECORD may be perfectly clear, as I under-

stand, the pending business on Monday will be Calendar No. 1549, H.R. 10606, amendments to the Social Security Act, to which the Anderson amendment, known as the medicare amendment, will be offered.

The PRESIDING OFFICER. That is correct.

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

Mr. HUMPHREY. I yield.

Mr. MORSE. Can the acting majority leader assure the Senator from Oregon that there will be no votes on Tuesday?

Mr. HUMPHREY. I know there are strong cords pulling the distinguished Senator from Oregon to the blessed country of the Pacific Northwest, and most likely he will leave our midst temporarily and proceed to bring the message of progressive government and democracy to the people of the Pacific Northwest.

Mr. MORSE. The Senator is a good mindreader.

Mr. HUMPHREY. It is the only prophecy that I have been able to make all day with any reasonable degree of accuracy.

Mr. MORSE. The only thing that would prevent that prophecy from coming true and stop my going would be the acting majority leader telling me that there will be a vote on medicare on Tuesday.

Mr. HUMPHREY. I would not dare to assure the Senator that there will not be a vote on Tuesday, but I feel that, after a pleasant weekend, a number of Senators may feel on Monday that they would like to expound considerably on many matters before the Senate. The vitality of this body amazes me.

Mr. CARROLL. Mr. President, will the Senator yield.

Mr. HUMPHREY. I yield.

Mr. CARROLL. The Senator from Minnesota has stated that the sugar bill is out of conference and will come up in the Senate on Monday.

Mr. HUMPHREY. Yes.

Mr. CARROLL. Can the Senator from Minnesota inform the junior Senator from Colorado whether the conference report is substantially changed from the Senate bill?

Mr. HUMPHREY. I cannot give the Senator any specific information except to say that I understand the administration is well pleased with the work of the conference committee and that the report carries out the principles which the administration had hoped would be enacted. Likewise, the report preserves many of the historic standards of sugar legislation, which ought to help in its passage and also in terms of its effectiveness.

Mr. CARROLL. Does the Senator from Minnesota think there will be a yea-and-nay vote on the conference on the sugar bill on Monday? Does he have any idea that the conference report might be so controversial that it will be necessary to meet this question on Monday?

Mr. HUMPHREY. I hope it will not be that controversial; but controversy sometimes has nothing to do with the question of yea-and-nay votes in the Senate.

Mr. CARROLL. Is there any way in which the junior Senator from Colorado can ascertain something about the conference report, to determine whether he, like a Senator from the Northwest, may travel to his own area to learn what the people of his State are thinking and doing?

Mr. HUMPHREY. I would never wish to encourage Senators to be away from the Capital City for any extended period of time; but I believe the Senator should know that the conference committee having arrived at an agreement which seems to be satisfactory to the overwhelming majority of the conferees, I seriously doubt that there will be a yea-and-nay vote. Also, I doubt that there will be too much controversy about the report.

Mr. CARROLL. I thank the Senator from Minnesota.

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

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

Mr. McGEE. From what the acting majority leader has just said, does he believe it would be in the public interest if the senior Senator from Wyoming should find it necessary to inspect the destruction along the coastline near Fenwick Island, Del., on Monday and Tuesday?

Mr. HUMPHREY. On Sunday I think it would be in the public interest. I think the Senator should commune with nature and other spiritual elements as much as he can. But on Monday, I hope the Senator's communing would be limited to the early hours of the day.

Mr. McGEE. Would a 2½-hour interval be enough to protect the Senator while he looks into the expenditure of appropriated funds for the rehabilitation from the destruction caused by the storm along the coast?

Mr. HUMPHREY. I shall leave that question to the mature, responsible judgment of the Senator from Wyoming. I am sure he will do the right thing. I wish him a happy few hours at the beach.

Mr. McGEE. I thank the Senator for his interest in this study mission.

Mr. HUMPHREY. I hope the Senator from Wyoming will think of me while he is there.

Mr. President, the Senate has done a good day's work. I thank Senators for their cooperation.

Next week it is the intention to proceed to the consideration of the social security amendments, including the medicare amendment. I hope every Senator will be on notice that next week there may be night sessions, and that undoubtedly there will be a Saturday session. It is hoped that it will be possible to complete the medicare or hospital-nursing home care amendments and all other amendments to the social security amendment.

Again I remind Senators to make every effort to be present on Monday. It is possible that there may be a yea-and-nay vote on the conference report on the sugar bill. I feel that if any Senator is making plans to be away over the Fourth of July, he ought to make his plans conditioned on a Tuesday departure, rather than a Monday departure.

YMCA YOUTH AND GOVERNMENT PROGRAM

Mr. KEATING. Mr. President, 26 years ago, Clement A. Duran of Albany, N.Y., conceived the idea of a program to encourage young people to develop an interest in public affairs and the operations of government through experience and participation. From his idea of training for responsible citizenship came the YMCA's youth and government program which is now carried on in high schools in 42 States.

These high school boys and girls elect honorary State senators, assemblymen, governors, and other officials whose political skills are applied at model State legislatures when they take over their State capitol for 1 day each year.

This week, 42 of these young people, each of whom was elected youth governor in his or her State are meeting here in Washington in the National YMCA Youth Governors' Conference. They will examine the workings of our Federal Government first hand and talk to many of our Nation's leaders. I welcome all of them and especially James W. Findley who was elected governor of my own State of New York. I hope they can learn as much from us here in public office as we can learn from them.

CAPTIVE NATIONS WEEK

Mr. KEATING. Mr. President, the third week of July, beginning July 16th, has for 3 years been designated as Captive Nations Week. This occasion provides an opportunity to remind the world of the sad fate of those peoples in Europe and Asia who have fallen victim of Communist tyranny.

Mr. President, some people question the wisdom of these celebrations. Some people are inclined to say:

> The status of these nations is already determined. There is nothing we can do.

Let me say here and now that I do not subscribe to this view. Why should we grant the seal of our approval or acquiescence to communism's conquests throughout the world?

Mr. President, the Communists are never quiet for one moment in their denunciations of so-called Western colonialism. They blare forth the false promises of communism in an unceasing chorus to the underdeveloped nations of the world. Why should we be afraid to answer this chorus with the truth?

The fact is today, Mr. President, economic crises, famine, and internal disturbances are rife throughout the Communist empire. There is not one country in the entire Communist bloc that can claim economic prosperity or improved conditions for the people. This year, as never before, it is clear that in all the captive nations, even including the Soviet Union and Red China, communism is a miserable failure. It dooms

those who live under it to hunger, privation and discontent for the rest of their natural lives or until that day when the light of freedom may at last be allowed to shine in these now dark and gloomy lands.

Mr. President, Captive Nations Week provides a clear and distinctive way for the people of the United States to publicize the plight of the captive nations and the hypocrisy, tyranny, and economic failure of communism. I sincerely hope President Kennedy will continue the tradition initiated by President Eisenhower in 1959 of supporting an active and important celebration of Captive Nations Week.

FINANCING HEALTH COSTS OF THE AGED—THE BUSH SUBSTITUTE FOR THE KING-ANDERSON BILL

Mr. MORSE. Mr. President, the acting majority leader has announced that on next Monday the Senate will begin to debate the King-Anderson bill. Because I expect to be in Oregon on Tuesday and Wednesday, but to return in time to vote on Thursday, I wish to make a few comments tonight about my position on the issue of medicare.

Yesterday my good friend, the distinguished senior Senator from Connecticut [Mr. BUSH], submitted an amendment to the Social Security Act which he intends to propose as a substitute for the King-Anderson bill.

Mr. President, the bill introduced by the Senator from Connecticut [Mr. BUSH] fails to provide a solution to the basic problem of financing the health costs of the aged. It would merely perpetuate this serious problem. The older population would have no guarantee of paid-up benefits during those years when income is reduced. They would, therefore, continue to be plagued by rising costs of health care. Further, all those older people who were not acceptable insurance risks, or who did not purchase health insurance, or who were subjected to exclusions or limitations on the types of illnesses covered, would continue to impose a heavy burden on public assistance.

After 20, 30, or 40 years of contributing to the social security fund, the worker would have no idea of what benefits might be available to him—or whether he could even get a policy. Any program that offers a fixed cash, and perhaps worthless indemnity rather than specified medical services cannot meet the special problem of the aged. The individual does not have the assurance, as he does with King-Anderson, that at age 65 he will have paid-up benefits providing specified and known hospital and medical services underwritten and guaranteed by the social security system.

In fact, the bill introduced by the Senator from Connecticut does not represent the fulfillment of a commitment that it professes to offer to older Americans. Realistically speaking, its sole guarantee of benefits is to the highly profitable and loosely regulated insurance industry.

Based upon Senator BUSH's estimate that 12,200,000 people would be covered by the proposed program in 1963, and assuming that each person received the maximum cash allowance during that year, $108, the total annual cost would be some $1,300 million. During 1960, commercial insurance companies returned only 53 cents in benefits for every dollar they collected for individual health policies. On this basis, assuming that all the beneficiaries elected commercial policies, only $689 million of the $1,300 million would be spent on health services. The other $600 million would go for insurance company profits and overhead. In the first year alone, this would constitute a windfall almost beyond belief. This insurance company "piece of pie" would grow larger, year by year, as the 65 and over population grows.

Collections under the Bush bill would be made on a group basis by the Social Security Administration, yet there is no stipulation that the insurance companies must offer plans at group rates. In fact, the bill seems to be predicated on the purchase of individual policies.

Is this not fiscal folly, considering the fact that on individual health insurance policies it is often the case that less than 50 cents on the dollar goes for health benefits and the rest for profit and overhead while, on a group basis, profits and costs can be held to 10 percent or less?

The Bush bill taxes all employed people for the promise of benefits for all when they are 65.

Yet many of these people when they reach 65 will be so ill or such obviously poor risks that no insurance man in his right mind would sell them a policy. There is no guarantee of benefits under the bill even to those who may not be ill. Under the Bush bill these people would get absolutely nothing in return for contributions that they may have been making for many years. The Senator from Connecticut does not even offer to refund the money that such older people—unable to get coverage because they are ill or otherwise poor commercial risks—will have contributed over the years.

I can well see why not, too. To include in the bill an offer to refund payments for those people the insurance companies would not regard as profitable risks would make it crystal clear that this bill guarantees nothing to the individual it forces to contribute to the program—it guarantees only profits to private insurance companies.

The Bush bill would only contribute to the continuance and furtherance of the present chaotic situation in the provision of health insurance to aged persons. At very slight risk of exaggeration, it may fairly be assumed that many new insurance companies would blossom forth to feed at this rich public trough.

If, indeed, it is the purpose of Congress to encourage the rapid development of private, profitmaking insurance companies in the health field—with their phenomenal rise in rates and the consequent reduction in value of benefits—this, indeed, could well be the bill through which to do it. If, instead, it is the purpose of the Congress to help meet the health needs of our older people and to concern itself with people rather than profits, then this bill most certainly is not the answer.

Older Americans, except of course those who are seriously ill or those who are confronted with heavy medical expenses, would be fair game for the insurance companies and prey to the tender mercies of any fast-talking salesman. Those who are confronted with serious illness and heavy medical expenses would of course be safe—the insurers would not be interested in them.

The following are some of the specific objections to this inadequate and inequitable proposal.

First. The payment for the insurance company—$9 monthly—is unrealistic in relation to the costs of health insurance today. It is inflationary, in that it would inflate the going rate for health insurance today. It offers no protection to the beneficiary against inflation; the $9 payment of today may be virtually worthless 10 or 20 years from now.

As an example of the unrealistic amount provided, the highly touted and as yet unavailable Blue Cross and Blue Shield contracts would cost at least $15 a month. Some Blue Shield organizations are reported as considering the proposed payments under the aged contract as too low. The vaunted "Connecticut 65" package plan alone costs $17 a month at the present time—even with its restrictions and limitations. With medical costs rising, it is almost certain that the monthly premium will be increased. Also enrollment under the "Connecticut 65" plan will be open only at specified intervals. This provision is designed to prevent "adverse selection"—that is, to keep out people who find that they need protection.

Without specifications in this bill providing for stipulated services at stipulated price, it can be assumed that the price of any contract offered would rise to at least $9. This is inflationary and the resulting price increases for health insurance would also be inflicted upon those not eligible for the subsidy.

All commercial policies available to individuals provide fixed cash indemnities or pay a specified percentage of constantly rising fees and charges. There is nothing which prevents the providers of medical services from increasing their charges because of the existence of insurance. In the past the existence of such insurance has led to increased charges by the providers of care.

Second. Providing a dollar subsidy, instead of medical services, has two serious faults:

It is inequitable in any national program:

(a) Nine dollars would purchase a policy providing a greater amount of care in one section of the country than it would in another.

(b) All aged persons eligible for the subsidy—and who were able to find someone willing to underwrite some protection—would not have available to them the same policies with the same benefits offered by the same companies.

In a program based upon the assumption that a person will pay into the fund over a period of 20 or 30 years, it is meaningless to promise to pay a $9 a

month premium subsidy at the end of that time. Who knows what $9 worth of insurance will cover in the year 2000? To be meaningful a program must guarantee to provide specified services—not offer a dollar subsidy that very obviously will not stand the test of time.

Third. Absolutely no control is offered by the Bush bill over policy provisions excluding or restricting coverage for specified medical conditions or illnesses. Thus, a person with a heart condition or diabetes who applied for coverage might very well find that the policy he received specifically excluded benefits for precisely those conditions. This may be sound commercial insurance practice, but it very definitely is an unsound approach to meeting the medical expenses of older Americans. The only needs that are met under such circumstances are those of the underwriting department of the insurance company and those of the company's stockholders.

Fourth. In the bill there is absolutely no guarantee that a beneficiary of a trust fund established for his benefit by the U.S. Government, and to which he has contributed hard-earned dollars, will receive fair value in return for the dollars paid for insurance.

Under the program of insurance for employees of the Federal Government, the employee elects to participate and pay part of the cost voluntarily. In this program we have stipulated that "rates charged under health benefit plans shall reasonably and equitably reflect the cost of the benefits provided," "rates shall be determined on a basis consistent with the lowest schedule of basic rates generally charged for new group health benefit plans issued to large employers." These safeguards to assure sound value are included in a program in which participation is optional on the part of the employees of the American people. Under Senator BUSH'S program where contributions are compulsory, we offer no such protection to the aged of the country who—in reality—are our "employers."

Fifth. It is said by Senator BUSH that the Federal Government will receive back, in the form of taxes, part of the subsidies paid. It is not a proper function of the Federal taxing power for the Government to expend large amounts of tax money in order to receive a small amount in return. The amount of profits retained by insurance companies would undoubtedly exceed any taxes paid to the Federal Government.

Sixth. The social security beneficiary who is able to get a policy will have his money administered, divided up, and parceled out by a company which does not represent him at all, or only does so nominally, and whose principal obligation is to its stockholders.

The Civil Service Commission negotiates for and protects the interests of those covered under the Federal employees insurance program. Under the Bush bill, there would be no one bargaining with the insurance companies in behalf of the interests of millions upon millions of social security beneficiaries.

Under the Federal employees insurance program, the two principal underwriters are each required to be licensed in every one of the 50 States and the District of Columbia. There is no such requirement under the Bush bill. Older Americans will be subjected to a barrage of mail order solicitation by out-of-State insurers. They will purchase health insurance by mail. In the event of dispute—and there will be disputes and controvery galore, with hundreds of different insurance companies doing business in hundreds of different ways—the legal recourse available to the aged person would be the clumsy, cumbersome, and expensive methods of bringing suit against out-of-State insurers—obviously, an unrealistic and inadequate remedy. The only other appeal available to the aged—with no Federal agency in the picture, other than to pay out money—would be the addressing of pleas to Senators and Members of the House of Representatives. This would be the sole path of redress for millions of aged citizens.

Seventh. Section 1601(a) of the bill refers to "renewable or noncancelable" policies as the only types acceptable for subsidy. On the other hand, section 1602 says that an otherwise eligible beneficiary is entitled to subsidy if he gets a policy which obligates the insurance company to provide protection "for a period not less than 12 months in duration." These two provisions appear quite contradictory. If the social security beneficiary must contribute his money all through his working life, is it not only just that we require the insurers to provide protection throughout his retirement for as long as he pays the premium? Noncancelable would have to mean this and nothing else—otherwise it is meaningless and a fraud.

It should be noted that under the guaranteed renewable type of policy, the entire group of people over 65 may have their rates increased, their coverage terminated, or conceivably have a contract that terminates coverage at age 70 or any other age cutoff that may be advantageous to an insurer. For example, a beneficiary may get a policy at age 65 at a cost of $108 a year. When he has his 68th birthday, his cost may increase to $200 annually. At his 70th birthday he may find his coverage terminated.

Eighth. Almost every commercial hospital and surgical-medical contract excludes coverage for care provided in State and local facilities. Persons who cannot get the limited insurance protection that would be available would, in good part, burden such facilities. These people would get none of the benefits they had paid for, nor would the States and localities be paid for the care they give.

In summary, Mr. President, in my judgment the Bush bill fails completely to meet the moral obligation that our Government owes the aged of this country in regard to the great problem in respect to which each of us as taxpayers and citizens has a very definite moral responsibility. It is to be expected that the two great lobby forces in the United States—the medical profession, acting through the American Medical Association, and the great, powerful insurance lobby in this country—can be counted upon to do everything within their political power to prevent the people of this country, acting through their Government, to carry out this moral obligation to the people.

I welcome the debate about to take place, because, in my judgment, this debate is the beginning of a great legislative battle which is bound eventually to be resolved in support of the application of the social security principle to this obligation of all the people of this country toward the aged of our Nation.

The American Medical Association and the great insurance lobbies will seek to block the King-Anderson bill for their own selfish interests. I happen to be one of those who believe that no medical association or insurance company has any right in this democracy to have its selfish interests placed above the public interest. This has become a question of protecting the public interest. In my judgment, the King-Anderson bill does not go nearly far enough.

In 1958, when I introduced the first health bill introduced in the Senate of the United States, known then as the Forand-Morse bill, which sought to place the aged under the protection of social security in respect to medical care, I was subjected to a great deal of criticism. The old bromide was used against me that this was a form of socialism. I am not interested in labels. I am interested, however, in the Government of the United States keeping its moral obligation.

We cannot justify permitting tens of thousands of old people in this country to live under the constant fear that a serious illness attacking them will wipe out their life's savings and also place a great economic burden upon their sons, daughters, and other near relatives.

I happen to believe that, with the greatly increased cost of medical care in this country, we must take the excessive profit out of medical services, so far as concerns the ability of the aged to pay. The aged, by the tens of thousands, cannot pay the profit that the insurance lobby and the doctors and hospitals feel they must make on their so-called medical programs, which are built upon the thesis of charging rates that bankrupt old people by the thousands when a serious illness strikes them.

So I take the same position I took in 1958. The medical care bill we pass should cover all the old people. I am very glad there has been some shift of opinion in the Senate since then, for I understand that next week the authors of the King-Anderson bill will themselves propose amendments to cover all the aged, and not merely the aged who are now covered by social security. I shall support such amendments.

I am well aware of the fact that we are not going to adopt in this session of Congress a medical care bill that goes as far as the people of this country will eventually demand that it go. For example, I do not agree that the bill should require any payments on the part of any of the recipients of the coverage for any period of time. I happen to believe that

if an old person becomes sick, that person should get the hospital and medical service that his health needs call for, and the costs should be charged against the program, and not against the individual.

Therefore, if I had my way, I would eliminate those sections of the bill that call for an aged person to make any contribution, once that person became sick, to the cost of the health services that are made available under the bill. However, Mr. President, I am a realist, and I recognize that that improvement will have to come in the future.

I want the medical profession of my State, which is so bitterly against me, and will be in my coming campaign, and the insurance lobby, to know, prior to the election, that I say to the people of Oregon that the Senator from Oregon, if he is reelected to the Senate in November, will continue to work and fight for a further extension of the social security program in regard to what I consider to be defects in the King-Anderson bill, because it does not go far enough.

Furthermore, I think the cost of drugs should be paid for out of the medicare system we establish. I realize that that is not going to be done in the first instance, but I think we must enact it by way of improvement of the legislation later, once it is on the books. I am not going to run for cover from what I regard to be the hottest of all issues connected with medical care, which is not contained in the King-Anderson bill. In due course of time, I hope the law on the books will cover also doctors' fees. Such a provision would not destroy the private practice of medicine. It is not going to take away from the doctors their right to select their patients, or the right of patients to select their doctors; but it will keep faith with the moral obligation I think we owe the aged, the infirm, and the sick—that their medical costs should be covered under a social security system to which they have contributed and for which they have bought during their working years the benefits for their retiring years. That is a pretty sound, workable insurance system. Note, I am talking about the aged.

I am talking about people over the age of 65.

I would make note of two things which are happening in American public opinion today as the debate progresses. I think the interest the young married couples in America are beginning to take in the medicare legislation is remarkable. Young married couples are beginning to recognize that their savings may be greatly reduced as the result of a serious illness on the part of their parents if the Congress does not adopt the kind of program envisioned in the King-Anderson bill.

In answer to the charge that this may lead to some kind of medical system such as the Murray-Dingell bill of some years ago, I take the same position tonight which I took then, for I opposed the Murray-Dingell bill. I am not in favor of establishing a system of medical care for the entire population of this country, but I am in favor of a system which will take care of the entire medical care costs of the aged, because in my judgment the evidence is overwhelming that in respect to the aged we have the moral obligation to which I have alluded.

The proposed legislation does not go that far. The bill provides for very specific limitations as to the contributions which are to be made through social security by the Federal Government.

I shall vote for the bill next week when it comes before the Senate. I shall support any amendments along the lines of the expanded coverage which I have suggested tonight, which eventually we shall have to provide.

To the insurance lobby and to the American Medical Association, I say only that I think we should battle this question out on the basis of the facts for whatever number of years it may require, until the American people finally get from their elected representatives in the Congress of the United States that which, in my opinion, they now want.

I shall be perfectly willing to have the King-Anderson bill, or a bill modified in the form of extended coverage and the expansion of benefits which I have outlined in my speech tonight, submitted to the American people for a national referendum. I have no doubt that the insurance lobby and the AMA would get their answer. The American people would vote their position down by an overwhelming vote. In my judgment, the American public opinion is far ahead of the politicians on this issue. In my judgment, the people of this country are much more progressive in regard to this question than the politicians have yet demonstrated they are. The American people are far ahead of the reactionary, antisocial, lacking social conscience position which characterizes the AMA and the insurance lobby.

On these lines, Mr. President, I am perfectly willing to draw the battle and to let the people give the final answer.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

NATHAN KOENIG—RESOLUTION OF SAMOA LEGISLATURE

Mr. LONG of Hawaii. Mr. President, when Senator GRUENING and I visited American Samoa in December 1960 on behalf of the Senate Interior and Insular Affairs Committee pursuant to Senate Resolution 330, we were fortunate to have as a member of our special staff Mr. Nathan Koenig of the Department of Agriculture. Earlier this year, Mr. Koenig returned to Samoa for a period of time to implement some of the recommendations which we made for the economic development of Samoa. The Samoa Legislature, in recognition of Mr. Koenig's efforts, has passed a resolution of commendation. I ask unanimous consent that the resolution and accompanying documents be printed in the RECORD.

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

GOVERNMENT OF AMERICAN SAMOA,
OFFICE OF THE GOVERNOR,
Pago Pago, American Samoa, June 6, 1962.

Hon. ORVILLE L. FREEMAN,
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: As requested by the Legislature of American Samoa, I am pleased to enclose herewith two copies of House Concurrent Resolution No. 44 "commending Mr. Nathan Koenig of the U.S. Department of Agriculture for his services to the Government and the people of American Samoa."

I shall appreciate your forwarding a copy of the resolution to Mr. Koenig with my appreciation for his work on behalf of the people of American Samoa.

Sincerely yours,

H. REX LEE,
Governor.

GOVERNMENT OF AMERICAN SAMOA,
PAGO PAGO, AMERICAN SAMOA,
April 3, 1962.

Certificate

I hereby certify that the House of Representatives Concurrent Resolution No. 44 this day passed a single reading in the House of Representatives of the Seventh Legislature of American Samoa by a majority of the members and that said resolution is an official statement of the house of representatives.

ESEROMA L. PAOPAO,
Chief Clerk, House of Representatives.

Certificate

April 5, 1962.

I hereby certify that the House of Representatives Concurrent Resolution No. 44 this day passed a single reading in the Senate of the Seventh Legislature of American Samoa by a majority of the members and that said resolution is an official statement of the house of representatives.

Mrs. S. K. LEVI,
Secretary of the Senate.

CONCURRENT RESOLUTION COMMENDING MR. NATHAN KOENIG OF THE U.S. DEPARTMENT OF AGRICULTURE FOR HIS SERVICES TO THE GOVERNMENT AND THE PEOPLE OF AMERICAN SAMOA

Whereas Mr. Nathan Koenig, an outstanding economic consultant and career official of the U.S. Department of Agriculture, has taken time out from an extremely busy schedule to come here at the request of the Governor of American Samoa for the purpose of expediting the activation of economic development plans as contained in Senate Document No. 38, 87th Congress, a report made by the Senate Committee on Interior and Insular Affairs as the result of a study conducted pursuant to Senate Resolution 330, 86th Congress; and

Whereas through his study entitled "The Economic Needs of American Samoa," published as part II of the Senate committee's report, Mr. Koenig has thereby brought into sharp focus the problems and needs of our people and their land and also provided a basic guide for the positive action required in developing our economy and improving living standards; and

Whereas during his brief stay here Mr. Koenig has been of invaluable assistance to the Government of American Samoa as a whole as well as to the people, especially large numbers of individual farmers on matters pertaining to the development and improvement of local agricultural production; and

Whereas Mr. Koenig has given so generously of his time and technical skill and has

rendered all these fine services for the future well-being of our people at great personal sacrifice: Now, therefore, be it

Resolved by the House of Representatives of the Seventh Legislature of American Samoa (the Senate concurring), That the Legislature of American Samoa, on behalf of the Samoan people, hereby extends to Mr. Nathan Koenig its commendation and sincere appreciation for all his fine services to our government and our people; and be it further

Resolved, That certified copies of this concurrent resolution be sent to Mr. Nathan Koenig; to the Honorable Orville L. Freeman, Secretary of the U.S. Department of Agriculture; and to the Honorable Stewart L. Udall, Secretary of the U.S. Department of the Interior.

RAPI SOTOA,
President, House of Senate.
MŪAGUTUTI'A F. TUIĀ,
Speaker, House of Representatives.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEATING:

S. 3493. A bill for the relief of Ethel R. Loop, the widow of Carl R. Loop; to the Committee on the Judiciary.

By Mr. BYRD of West Virginia:

S. 3494. A bill for the relief of Dr. Constancio D. Katigbak; to the Committee on the Judiciary.

PUBLIC WELFARE AMENDMENTS OF 1962—AMENDMENTS

Mr. McCARTHY. Mr. President, I submit an amendment to H.R. 10606, as reported by the committee, which I intend to offer on behalf of myself, my colleague from Minnesota [Mr. HUMPHREY], the Senator from Michigan [Mr. HART], the Senator from Illinois [Mr. DOUGLAS], the Senators from New York [Mr. JAVITS and Mr. KEATING], and the Senator from Pennsylvania [Mr. SCOTT].

Mr. President, this amendment relates to Federal ADC payments under the Social Security Act for children who have been removed by court order from their own homes. In 1961 the Congress enacted legislation to provide for Federal financial participation in payments to children in foster-family homes. The proposed amendment would extend the act to include Federal participation in payments for children placed in nonprofit private child-care institutions. This provision was recommended in the administration bill, and it has already been approved by the House of Representatives. The amendment would restore the House language to the measure.

I ask unanimous consent that the amendment be printed as an amendment intended to be proposed to the bill, H.R. 10606.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. KEATING. Mr. President, I am delighted to join with the distinguished junior Senator from Minnesota [Mr. McCARTHY] as a cosponsor of an amendment to permit the use of institutional child care facilities under the temporary aid-to-dependent-children program.

I have some detailed studies which I have done on this subject and which I shall introduce in the RECORD in the course of the debate. All I want to say at this point is that I think the Senator is absolutely correct. I believe that we must provide the greatest flexibility to the States to see to it that the needs of children are properly met. It is the needs of the children that are involved. This is all there is to it. I feel that such an amendment is desirable and should be restored to this bill.

Mr. WILLIAMS of New Jersey. Mr. President, I send to the desk an amendment intended to be proposed to the bill H.R. 10606, for myself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. SMITH of Massachusetts, Mr. YARBOROUGH, Mr. BURDICK, Mr. CARROLL, Mr. HART, Mr. MORSE, Mr. JAVITS, Mr. McCARTHY, Mr. METCALF, Mr. CLARK, Mr. HOLLAND, and Mr. SMATHERS.

This amendment to the bill H.R. 10606 would add a new section to part 3, title V of the Social Security Act, providing grants to States for maternal and child welfare services. The new section, to be entitled "Day-Care Facilities for Children of Migrant Agricultural Workers," would authorize $750,000 annually in grants to States having large numbers of migratory farmworkers and, hence, significant need for assistance in the provision of day-care facilities and services for migratory farm children. In order to assure that the moneys only go to areas of need, the moneys appropriated under the new section would be allotted to States by a formula based on the number of migratory farm children within the State.

The Federal funds would be allotted among States on a matching basis in accordance with the matching formula now contained in the child welfare services section of the Social Security Act. Under such formula, the Federal grant would vary according to the State's per capita income, but in no case would the grant be less than 33⅓ percent or more than 66⅔ percent. State residence requirements would not bar otherwise eligible children from benefits. Welfare services and benefits, for which migratory farm children are currently eligible under section 521 of the Social Security Act, would continue to be available after enactment of this bill. The cost of section 521 benefits would not be considered as part of the grants authorized by this bill.

The amendment, in its substantive provisions, is identical to the bill, S. 1131, which has been favorably recommended for enactment in a formal report of the Department of Health, Education, and Welfare. There is also strong support for this measure among numerous social agencies and church groups.

Mr. JAVITS. Mr. President, I send to the desk an amendment to the bill (H.R. 10606) to extend and improve the public assistance and child welfare service programs of the Social Security Act, and for other purposes. The amendment relates to a review of certain administrations under the Social Security Act, title 7, relating to relations between the Federal Government and the States in the public welfare matters.

I ask unanimous consent that the text of the amendment be printed as a part of my remarks.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the desk; and, without objection, will be printed in the RECORD.

The amendment is as follows:

At the end of the bill add the following new section:

"JUDICIAL REVIEW OF CERTAIN ADMINISTRATIVE DETERMINATIONS

"SEC. 203. Title VII of the Social Security Act is amended by adding at the end thereof the following new section:

"'JUDICIAL REVIEW OF CERTAIN ADMINISTRATIVE DETERMINATIONS'

"'SEC. 706. (a)(1) Whenever a State plan or an amendment to a State plan is submitted to the Secretary by a State for approval under the provisions of title I, IV, X, XIV, or XVI, he shall, not later than sixty days after the date such plan or amendment is submitted to him, make a determination as to whether such plan or amendment conforms to the requirements of such title.

"'(2) Any State dissatisfied with or aggrieved by a determination by the Secretary with respect to such a plan or amendment submitted for approval under any such title may, within thirty days after it has been notified of such determination, file a petition with the Secretary for a reconsideration of the issue of whether such plan or amendment conforms to the requirements of such title. Upon receipt of such a petition the Secretary shall notify the State of the time and place at which a hearing will be held for the purpose of reconsidering such issue. Such hearing shall be held not less than thirty days after the date notice of such hearing is furnished to such State, without the consent of such State.

"'(3) Any State which is dissatisfied with or aggrieved by a determination made by the Secretary on such a reconsideration of the issue of whether such plan or amendment conforms to the requirements of such title may appeal to the United States court of appeals for the circuit in which such State is located by filing with such court a notice of appeal.

"'(b)(1) Whenever the Secretary determines that the amount to be certified for any State should be reduced (as provided in section 3(b)(2)(A), 403(b)(2)(A), 1003(b)(2)(A), 1403(b)(2)(A), or 1603(b)(2)), or that further certification with respect to a State should not be made (as provided in section 4, 404, 1004, or 1404), or that payments should no longer be made to a State or that the amount of payments to a State should be limited or reduced (as provided in section 1604), he shall notify such State of the action he proposes to take with respect to the matter.

"'(2) Any State which is dissatisfied with or aggrieved by an action proposed to be taken by the Secretary with respect to any such matter may, within thirty days after it has been notified of the Secretary's proposed action, file a petition with the Secretary for a reconsideration of the issues giving rise to the Secretary's proposed action. Upon receipt of such a petition the Secretary shall notify the State of the time and place at which a hearing will be held for the purpose of reconsidering such issues. Such hearing shall be held not less than thirty days after the date of notice of such hearing is furnished to such State, without the consent of such State.

"'(3) Any State which is dissatisfied with or aggrieved by a determination made by the Secretary on such a reconsideration of the

issues giving rise to such a proposed action by the Secretary may appeal to the United States court of appeals for the circuit in which such State is located by filing with such court a notice of appeal.

"'(4) The Secretary shall not reduce the amount to be certified for any State (as provided in section 3(b)(2)(A), 403(b)(2)(A), 1003(b)(2)(A), 1403(b)(2)(A), or 1603(b)(2)), refuse to make further certification with respect to a State (as provided in section 4, 404, 1004, or 1404), or refuse to make or limit payments to, a State (as provided in section 1604) prior to whichever of the following first occurs—

"'(A) the thirty-day period commencing on the date he notifies such State of his proposed action expires without the State having filed a petition with him for a reconsideration of the issues upon which his proposed action is based;

"'(B) the date such State notifies him that no appeal will be taken on his proposed action or that any such appeal previously filed has been withdrawn;

"'(C) the date a final judgment with respect to such proposed action has been sustained on review by the Supreme Court of the United States, or the date that, because of the lapse of time, such a judgment is no longer subject to review by the Supreme Court of the United States.

"'(c) For purposes of any appeal filed pursuant to subsection (a) or (b):

"'(1) The jurisdiction of the court shall attach upon the filing of the notice of appeal. A copy of the notice of appeal shall be forthwith transmitted by the clerk of the court to the Secretary, or any other officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his determination, as provided in section 2112 of title 28, United States Code.

"'(2) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous determination, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless not supported by substantial evidence.

"'(3) The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 (1) and (3) of title 28, United States Code.'"

"Amend the table of contents so as to add, at the end of the part of such table which describes the contents of title II, the following item:

"'Section 203. Judicial Review of Certain Administrative Determination.'"

Mr. CARROLL submitted an amendment, intended to be proposed by him, to House bill 10606, supra, which was ordered to lie on the table and to be printed.

EXTENSION OF TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM—ADDITIONAL COSPONSOR OF BILL

Mr. McCARTHY. Mr. President, I ask unanimous consent that the name of the Senator from Rhode Island [Mr. PELL] be added to the sponsors of the bill to extend the temporary extended unemployment compensation program (S. 3411), which I introduced on June 13, and that his name be included with the list of sponsors at the next printing of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENT OF CERTAIN CLAIMS FOR DEFECTS IN HOMES COVERED BY FHA-INSURED MORTGAGES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 21, 1962, the names of Senators MORSE, DODD, CHAVEZ, DOUGLAS, HICKEY, KEFAUVER, LONG of Hawaii, MCCARTHY, METCALF, WILLIAMS of New Jersey, YOUNG of Ohio, and SMITH of Massachusetts were added as additional cosponsors of the bill (S. 3460) to authorize the payment of certain claims for structural or other major defects in homes covered by FHA-insured mortgages, and to require indemnification bonds in the case of certain new construction under FHA-insured mortgages, introduced by Mr. GRUENING on June 21, 1962.

ADJOURNMENT UNTIL MONDAY

Mr. MORSE. Mr. President, I move, in accordance with the previous order, that the Senate stand in adjournment until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 8 o'clock and 24 minutes p.m.) the Senate adjourned, pursuant to the order previously entered, until Monday, July 2, 1962, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 29, 1962:

FEDERAL MARITIME COMMISSIONER

John S. Patterson, of Maryland, to be a Federal Maritime Commissioner for the term expiring June 30, 1966. (Reappointment.)

PUBLIC HEALTH SERVICE

To be senior surgeons

Pasquale J. Ciccone
Alphonse C. Smuda
James R. Weaver
Carleton B. White

To be surgeons

Ray J. Beasley, Jr.
Sheldon Davidson
MacGregor E. Knight

To be senior assistant surgeons

Joseph F. Alderete
Daniel D. Bosis
Francis A. Caprio
Gordon R. Cohen
Donald J. Lawler
John L. Lewis, Jr.
Donald J. Morrison, Jr.

To be senior dental surgeon

Charles E. Smith

To be senior assistant dental surgeon

T. Edwin Evans, Jr.

To be sanitary engineers

Delbert S. Barth
Ralph J. Black
Herbert H. Jones
Donald W. Marshall
Donald A. Townley

To be senior assistant sanitary engineer

Edgar F. Seagle

To be pharmacist

Ernest S. Lentini

To be senior scientists

Andrew R. Fodor
Raymond L. Laird

To be senior assistant scientists

Robert J. Ellis
Jerome S. Miller

To be senior veterinary officer

James N. Shively

To be senior assistant veterinary officer

Richard A. Tjalma

To be sanitarians

Robert P. Hayward
Clarence E. Calbert

To be senior assistant sanitarian

Willard N. Adams

To be nurse officer

Anastasia M. Zahler

To be dietitian

Charlotte E. Smith

To be health services officers

Sheldon A. Miller
William H. Redkey

To be assistant health services officer

Martha G. Barclay

CONFIRMATIONS

Executive nominations confirmed by the Senate June 29, 1962:

U.S. DISTRICT JUDGES

Ben C. Green, of Ohio, to be U.S. district judge for the northern district of Ohio.

Roger D. Foley, of Nevada, to be U.S. district judge for the district of Nevada.

U.S. ATTORNEY

Drew J. T. O'Keefe, of Pennsylvania, to be U.S. attorney for the eastern district of Pennsylvania for the term of 4 years.

U.S. MARSHAL

Jesse L. Dobbs, of Texas, to be U.S. marshal for the western district of Texas for the term of 4 years.

IN THE ARMY

The nominations beginning Wheeler E. Laird to be major, and ending Robert D. Yearout to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 20, 1962.

FEDERAL MARITIME COMMISSIONER

John S. Patterson, of Maryland, to be a Federal Maritime Commissioner for the term expiring June 30, 1966. (Reappointment.)

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 29, 1962

The House met at 12 o'clock noon.

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

Joshua's challenge to the people of Israel: Joshua 24: 15: *Choose you this day whom ye will serve; but as for me and my house we will serve the Lord.*

O Thou Supreme Being upon whom we are dependent for all our blessings, in these days of chaos and crisis, may the homes of our beloved country be blessed with a revival of the sense of responsibility to faithfully fulfill their high vocation of safeguarding and maintaining the religious and spiritual atmosphere for we know that the very health and vigor of the social order and civilization depend upon the beauty and the strength of the home.

May parents and the adult members of the family exert every effort to restore

and reestablish the influence of the home in molding the character of the children and youth and in cultivating those spiritual instincts, which Thou hast planted in the human heart, and seek to give those priceless treasures of the Bible, the family altar, the Lord's day, and the house of God, their rightful place in the family life.

With affection and high expectation we think of the children and young people; and help us to realize that the most precious inheritance, which we are privileged to leave them, is the spiritual heirloom of a strong religious faith.

Hear us in Christ's name. 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 and a joint resolution of the House of the following titles:

H.R. 10095. An act to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes;

H.R. 11990. An act to provide for a temporary increase in the public debt set forth in section 21 of the Second Liberty Bond Act; and

H.J. Res. 769. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tonight to file a report entitled "Administration of Grants by the National Institutes of Health (Reexamination of Management Efficiency)."

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

There was no objection.

NEWSPAPER HALF-TRUTHS

The SPEAKER. The Chair recognizes the gentleman from Minnesota [Mr. ANDERSEN].

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I have awaited the time when I would have the opportunity to appear before the proper investigating committee of the Congress, in the firm belief that it would enable me to clear my name. I have looked forward to being questioned by fair men who are endeavoring to obtain the facts and who are not interested in smearing sensationalism. It is my hope, Mr. Speaker, that I will be able to show to the entire satisfaction of such a committee that I have been the victim of circumstances and that what has happened to me could have happened to any one of you Members of Congress.

Guilt by association is a horrible thing, Mr. Speaker, and some of the newspapers and periodicals have, by insinuations, innuendos, half-truths, and deliberate misrepresentations, blackened my name, besmirched my reputation, and done irreparable damage to me and to my family.

Mr. Speaker, I did sell 40 shares of stock in the best little coal mine in the United States to Mr. Estes, at a time when he was a respected and admired businessman. There was nothing wrong with that transaction and at no time did Mr. Estes ask any favor of me nor did I at any time do him any favor or receive any from him.

Mr. Speaker, I wish to call attention to the story which appears on page 1 of the Washington Post this morning and which is continued on page A–4, with regard to the Secretary of Agriculture and his testimony before the McClellan committee in defense of the Department in connection with the Estes case.

In describing the Department's investigation of the Estes cotton allotments, Mr. Freeman mentions the January meeting in the office of the Under Secretary of Agriculture at which time cotton allotments were discussed.

Now I know practically nothing about cotton allotments. I certainly never attended any such cotton meeting and had never met or even seen Mr. Estes at that time. Yet the writer of this article for the Washington Post, Julius Duscha, inserted, right in the middle of this story, a paragraph which says:

It was also after this meeting that Estes bought $4,000 worth of stock in a coal mine owned by Representative H. CARL ANDERSEN, Republican, of Minnesota, ranking Republican member of the House Agriculture Appropriations Subcommittee. The stock was never delivered to Estes.

Mr. Speaker, this paragraph inserted into the article is just about half true.

First, the article states:

A coal mine owned by Representative H. CARL ANDERSEN.

I wish I did own this coal mine, Mr. Speaker, but the truth is, I am only a partial owner. In fact, I own only about one-sixth of the mine.

Secondly, Mr. Speaker, the Washington Post says:

The stock was never delivered to Mr. Estes.

The truth is, Mr. Speaker, that on June 8, 1962, Mr. Harry Moore, the legally appointed receiver for the estate of Billie Sol Estes, requested of me that the stock be sent to him. In accordance with this request, the entire 40 shares of stock were transferred June 12, 1962, on the books of Coal, Inc., to Mr. Estes and sent to Mr. Harry Moore, receiver for the estate of Billie Sol Estes, at Pecos, Tex.

Mr. Speaker, I cannot fight the millions of dollars represented by the press, by the Washington Post, by the New York Herald Tribune, by Time, by Life, and their subsidiary television station WTCN in the Twin Cities, but I can fight for my integrity.

COMMITTEE ON BANKING AND CURRENCY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House of the Banking and Currency Committee have until 12 o'clock tonight to file a report on S. 3161.

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

There was no objection.

TO AMEND THE CAREER COMPENSATION ACT OF 1949

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11221) to amend section 302 of the Career Compensation Act of 1949, as amended—37 U.S.C. 252—to increase the basic allowance for quarters of members of the uniformed services and to make permanent the Dependents Assistance Act of 1950, as amended—50 App. U.S.C. 2201 et seq.—and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Resolved, That the bill from the House of Representatives (H.R. 11221) entitled "An Act to amend section 302 of the Career Compensation Act of 1949, as amended (37 U.S.C. 252), to increase the basic allowance for quarters of members of the uniformed services and to make permanent the Dependents Assistance Act of 1950, as amended (50 App. U.S.C. 2201 et seq.), and for other purposes", do pass with the following amendments: Strike out all after the enacting clause and insert: "That the table in section 302(f) of the Career Compensation Act of 1949, as amended (37 U.S.C. 252(f)), prescribing monthly basic allowances for quarters of members of the uniformed services, is amended to read as follows:

"'Pay grade	Without dependents	With dependents
O–10	$160.20	$201.00
O–9	160.20	201.00
O–8	160.20	201.00
O–7	160.20	201.00
O–6	140.10	170.10
O–5	130.20	157.50
O–4	120.00	145.05
O–3	105.00	130.05
O–2	95.10	120.00
O–1	85.20	110.10
W–4	120.00	145.05
W–3	105.00	130.05
W–2	95.10	120.00
W–1	85.20	110.10
E–9	85.20	120.00
E–8	85.20	120.00
E–7	75.00	114.90
E–6	70.20	110.10
E–5	70.20	105.00
E–4 (over 4 years' service)	70.20	105.00
E–4 (4 years' or less service)	45.00	45.00
E–3	45.00	45.00
E–2	45.00	45.00
E–1	45.00	45.00'.

"SEC. 2. Section 302(g) of the Career Compensation Act of 1949 (37 U.S.C. 252(g)) is repealed.

"SEC. 3. Section 302(h) of the Career Compensation Act of 1949, as amended (37 U.S.C. 252(h)), is amended—

"(1) by striking out the words 'subsection (f) of this section' and substituting in place thereof of the words 'section 3 of the Dependents Assistance Act of 1950 (50 App. U.S.C. 2203)';

"(2) by inserting the words 'in pay grades E–1, E–2, E–3, and E–4 (four years' or less service)' after the words 'enlisted members with dependents';

"(3) by striking out the words '(or in the case of enlisted members in pay grades E–4 and E–5, $60; or in the case of enlisted members in pay grades E–6, E–7, E–8, and E–9, $80)'; and

"(4) by inserting the following new clause immediately before the colon preceding the second proviso: '; or (7) for the calendar months in which such member serves on active duty for training (including full-time duty performed by members of the Army or Air National Guard for which they receive pay from the United States under section 316, 503, 504, or 505 of title 32, United States Code) if that training is for a period of thirty days or more'.

"SEC. 4. The Dependents Assistance Act of 1950, as amended (50 App. U.S.C. 2201 et seq.), is amended—

"(1) by amending section 3 (50 App. U.S.C. 2203) to read as follows:

"'SEC. 3. For the duration of this Act, section 302(f) of the Act of October 12, 1949 (Public Law 351, Eighty-first Congress), is hereby amended by striking out that portion of the table appearing therein which prescribes monthly basic allowances for quarters for enlisted members in pay grades E–1, E–2, E–3, and E–4 (four years' or less service) and inserting in lieu thereof the following new table:

"Pay grade	Without dependents	1 dependent	2 dependents	3 or more dependents
E–4 (4 years or less service)	$55.20	$83.10	$83.10	$105.00
E–3	55.20	55.20	83.10	105.00
E–2	55.20	55.20	83.10	105.00
E–1	55.20	55.20	83.10	105.00';

"(2) by amending section 7 (50 App. U.S.C. 2207) by striking out the words 'on training duty,' and substituting in place thereof the words 'in pay grades E–1, E–2, E–3, and E–4 (four years' or less service) on active duty for training for less than 30 days, to enlisted members on active duty for training under section 262 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1013), or any other enlistment program that requires an initial period of active duty for training.'; and

"(3) by amending section 8 (50 App. U.S.C. 2208) by striking out the words 'For the purposes of this Act' and capitalizing the first letter of the next word and by inserting the words '(over four years' service)' after the words 'pay grade E–4'.

"SEC. 5. The Secretaries of the departments concerned shall have the same authority with respect to payments of quarters allowances to enlisted members of the uniformed services in pay grades E–4 (over 4 years' service) through E–9 that they have with respect to enlisted members of the uniformed services in pay grades E–1, E–2, E–3, and E–4 (4 years' or less service) under sections 10 and 11 of the Dependents Assistance Act of 1950 (50 App. U.S.C. 2210, 2211).

"SEC. 6. Section 1 (c) and (f) of the Act of May 19, 1952, chapter 310 (66 Stat. 79, 80) is repealed.

"SEC. 7. This Act becomes effective on January 1, 1963."

Amend the title so as to read: "An Act to amend section 302 of the Career Compensation Act of 1949, as amended (37 U.S.C. 252), to increase the basic allowance for quarters of members of the uniformed services, and for other purposes."

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

Mr. ARENDS. Mr. Speaker, reserving the right to object, I wish the gentleman would explain these amendments, and I shall not object. I wish the gentleman would explain the changes and the differences between the House and Senate bills.

Mr. RIVERS of South Carolina. Mr. Speaker, the Senate amendment to H.R. 11221, a bill to increase the basic allowances for quarters for members of the uniformed services, contains four changes from the bill that passed the House.

First, the effective date of the House bill was October 1, 1962, and the effective date in the Senate amendment is January 1, 1963. Thus, there is difference in the first-year cost between the House bill and the Senate amendment of $72 million. The January 1, 1963, effective date in the Senate amendment will reduce the first-year cost by $72 million.

The House bill also made the Dependents Assistance Act permanent law. The Senate amendment eliminated this provision.

This law expires on July 1, 1963, and, thus, will have to be extended by the Congress next year, if it is to be extended.

The Senate amendment also added language which would preserve to the military Secretary concerned the authority to make final determinations regarding dependency and relationship for pay grades E–4—with over 4 years of service—through E–9. This is a technical amendment.

These are the only differences between the House bill and the Senate amendment.

I regret very much that the other body has seen fit to adopt a January 1, 1963, effective date even though there is a first-year reduction of $72 million.

Secretary McNamara, at a press conference earlier this year, stated:

> The fact that there has been no upward revision of the basic allowances for quarters in 10 years is a disgrace.

We agreed that this was disgraceful and would have insisted upon a July 1, 1962, effective date except that the Department witnesses indicated that they needed some time in which to make changes in the regulations.

However, the other body debated an amendment offered on the floor of the Senate to change the effective date from January 1, 1963, to October 1, 1962, and it was defeated.

Under these circumstances, it would appear that little would be gained by going to conference. The only issue involved is the effective date, and frankly I would rather be assured of an increase in January rather than risk the possibility that if the conferees could not reach agreement, there would be no increase whatsoever.

Under the circumstances, I hope that the House will agree to the Senate amendment to this bill in order that the patient members of the uniformed services may at least have the assurance of a long overdue increase in their quarters allowance, effective January 1, 1963.

Mr. ARENDS. Mr. Speaker, with that explanation I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

TO AUTHORIZE APPROPRIATIONS FOR THE ATOMIC ENERGY COMMISSION

Mr. ELLIOTT, from the Committee on Rules, reported the following privileged resolution (H. Res. 716, Rept. No. 1953), which was referred to the House Calendar and ordered to be printed.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11974) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

TO PROVIDE FOR THE EXEMPTION OF FOWLING NETS FROM DUTY

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6682) to provide for the exemption of fowling nets from duty, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate.

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

The Chair hears none, and appoints the following conferees: Messrs. MILLS, KING of California, O'BRIEN of Illinois, MASON, and BYRNES of Wisconsin.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12180) to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, which was unanimously reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill.

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

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

Mr. MILLS. If the gentleman will yield——

Mr. GROSS. I shall be glad to yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of the bill, which was reported unanimously by the Committee on Ways and Means, is to extend for 2 years, until July 1, 1964, the existing provisions of law relating to the free importation for personal and household effects brought into the United States by military and civilian personnel, returning to the United States under Government orders. In the absence of this legislation, these Government employees would have to pay duty on these household and personal effects.

Mr. GROSS. Does this include automobiles?

Mr. MILLS. Yes it does, but only automobiles for the personal use of the person to whom the exemption from duty applies. The gentleman understands that there were changes made in the military and civilian department regulations on automobiles. These regulations do not permit foreign-made automobiles to be transported back to the United States at Government expense. All of the expense of preparing the automobiles for shipment and other expenses involved in bringing them back is borne not by the Government but by the individual.

Mr. GROSS. Yes; but does this suspend the duty on the automobile as well?

Mr. MILLS. Yes, subject to the limitations provided by regulations. I think the gentleman from Iowa should understand that the denial of Government transportation does tend to discourage the purchase of foreign cars by U.S. personnel abroad. But automobiles are personal effects so they can come back to the United States free of duty. But the expenses of shipping the automobile, if it is of foreign make, must be borne by the individual. These expenses often amount to more than the duty.

Mr. GROSS. How does this affect the balance of payments?

Mr. MILLS. The tightening up of regulations governing the transportation costs were aimed at assisting our balance-of-payments situation. The gentleman may have in mind that prior to these regulations, there was a greater volume of purchases than there is now, and of course these purchases did tend to affect our balance situation.

You understand that a government person cannot bring an automobile back free of duty for somebody else. That situation cannot occur. The car or anything else, for that matter, must be for the use of the person coming back. Let us say that a soldier is assigned to a post in Germany. While there he buys a Volkswagen because he and his family decide they need a car. He may want to bring it back to the United States after his tour of duty. Now this is his car and it is part of his personal effects. In bringing it back, though we do suspend duty on its importation, we require that he pay all the cost of preparing the car for shipment and bringing it back. The cost of bringing automobiles back tends to discourage the importation of foreign automobiles by returning personnel.

Mr. GROSS. Is there anything to prevent the individual from selling his duty-free, foreign-manufactured automobile in this country?

Mr. MILLS. Yes. The car must be brought in for his personal use—if he sells it shortly after arrival, then his intentions would, of course, be suspect and there could be an action to collect the duties which were waived when he brought the car in. These importations are policed and followed into consumption by both the Department of Defense, the Bureau of Customs, and the other departments that are concerned with this law.

Mr. GROSS. What has been the experience with respect to enforcement of the law? Have there been any arrests or prosecutions?

Mr. MILLS. Yes. There were some four cases, I believe, in which there was apparent abuse, and action was taken in those four cases.

Mr. GROSS. Only in four cases?

Mr. MILLS. It is my recollection that those were the only cases in which there was any evidence of what the gentleman is referring to.

Mr. GROSS. How many automobiles come into this country each year under this procedure? Can the gentleman give us any idea?

Mr. MILLS. I do not have that information as to the exact number, but it would be a very small number. We are dealing here primarily with household effects, those things that the gentleman and I normally refer to as household effects, that he and I would acquire in living about. We are not talking about situations that did occur under the suspension of duty which occurred some years ago. This privilege of free importation is much better policed today; there is much tighter administration of it. There are reporting requirements which help us in Congress to keep up with what is transpiring, what is taking place, under this privilege.

Mr. GROSS. Mr. Speaker, in view of the approval by the House yesterday of the free-trade bill, I am sure that in the not distant future, foreign automobiles will be coming into this country freely. It is only a question of time, anyway, until we will have them coming in practically free of duty. So why worry about a comparatively few automobiles coming in under this law when there will probably be a deluge of them rammed right down the throats of the autoworkers in this country?

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of the first section of the Act entitled "An Act relating to the free importation of personal and household effects brought into the United States under Government orders, and for other purposes", approved June 30, 1955 (Public Law 126, Eighty-fourth Congress; 69 Stat. 242), as amended, is amended by striking out "July 1, 1962" and inserting in lieu thereof "July 1, 1964".

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

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MASON. Mr. Speaker, I join in recommending the passage of H.R. 12180. This bill extends the privilege of the members of our Armed Forces to bring back to the United States their personal goods and household effects free of duty. I am advised that this privilege, which really costs the Government very little, if anything, has greatly contributed to the morale of those serving overseas.

I also realize that from time to time claims have been made on the abuse of the privilege by some. If there is any such abuse it should be taken care of by administrative action. We should not penalize everyone because of the actions of a few. Accordingly, I recommend that the bill be favorably considered by the House.

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

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

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 12180, which was reported unanimously by the Committee on Ways and Means, is to extend for 2 years, until July 1, 1964, the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

This bill will extend the present free-entry privilege for household and personal effects of any person returning to the United States under Government orders for a period of 2 additional years, until July 1, 1964. This free-entry privilege has been in effect since 1942.

The effect of this duty-free importation privilege is to avoid the imposition of undue administrative burdens upon persons evacuated to the United States, and constitutes an important morale factor and inducement to oversea service.

In view of the continued presence in many parts of the world of members of the Armed Forces of the United States, it is the opinion of your committee that there is need for continuation of the exemptions from duty of personal and household effects brought into the United States under Government orders. The basic legislation is safeguarded from

abuse not only by restrictions contained in the act but also by appropriate regulations issued by the Treasury Department, the Department of State, and within the Department of Defense. In particular, attention is invited to the fact that Public Law 126 of the 84th Congress conferred specific authority upon the Secretary of the Treasury to provide safeguarding regulations with regard to alcoholic beverages and tobacco products, which has been done.

The Departments of Defense and State recommended the passage of legislation continuing the existing free-entry privilege with regard to personal and household effects brought into the United States under Government orders. Both agencies consider that the continuance of this exemption is important both in the inducement of getting people to serve abroad and also in contributing to the morale of U.S. personnel on duty outside the customs territory of the United States.

THE LATE CHARLES F. GOLD

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. WHITENER. Mr. Speaker, I was deeply saddened this morning to learn of the passing last evening of my close personal friend and constituent, Hon. Charles F. Gold, commissioner of insurance for the State of North Carolina.

Charlie Gold, as he was affectionately known by his countless friends, passed away in his home town of Rutherfordton, N.C. Although he was taken from among us in the prime of his life, he has left behind a distinguished record of public service to the people of his home community and to his State.

After service in the U.S. Army during World War II he came to Washington as the administrative assistant to one of my distinguished predecessors in the Congress, the late Alfred L. Bulwinkle. He was subsequently elected to the North Carolina State Senate, and after a great record of service to his people in that capacity, he became commissioner of insurance for the State of North Carolina.

Charlie Gold was a quiet, unassuming man of sterling character and deep religious conviction. He got the greatest enjoyment out of life in doing things for other people.

I never knew a finer man nor a more dedicated person than Charlie Gold. In the days to come I shall miss his warm friendship, his kind disposition, and his wise counsel.

Mrs. Whitener and I extend to his wife, his mother, and his children our deep condolences in their great loss. Although they have lost a devoted husband, son, and father, they can take comfort in the words of Him who said:

In my Father's house there are many mansions: if it were not so I would have told you. I go to prepare a place for you.

THE PEACE CORPS—AMERICA'S SHIRTSLEEVE AMBASSADORS OF GOOD WILL

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

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

There was no objection.

Mr. JOELSON. Mr. Speaker, recently the Peace Corps sent its 1,000th volunteer into the field. This makes it an appropriate time to measure the accomplishments of this agency during the comparatively short time of its existence.

The success of the project can best be attested to by the fact that in all the countries where there presently are Peace Corpsmen the leaders of these countries are asking that their numbers be substantially increased. These dedicated young people are indeed shirtsleeve ambassadors of good will for the United States.

In 16 nations of Africa, South America, and Asia, these men and women are in the fields and in makeshift hospitals demonstrating to the people that the picture of the soft, materialistic, ugly American painted by the Communists is a false one.

Much praise is due to Sargent Shriver, the dynamic and effective head of the organization. However, Mr. Shriver would be the first to acknowledge that the keys to the success of the operation are the realistically idealistic young persons who serve as teachers in Nigeria, bridge builders in Pakistan and in other hard-working capacities throughout the world for $75 a month plus very modest living expenses.

During the Congressional debate on the establishment of the Peace Corps the organization was cynically referred to as an "international gimmick." Recently the previous President of the United States referred to it as the "kiddie corps." Despite these harsh appraisals the people of the United States should take their hats off to these soldiers of peace. They constitute America's finest.

THE SUPREME COURT SCHOOL PRAYER DECISION

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

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

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, along with many of our colleagues I am deeply troubled over the Supreme Court decision regarding school prayers. But every day I am becoming increasingly hopeful that the Court's interpretation of the Constitution in the New York school case will not be given broad application. If it is, it will fit too closely the Soviet pattern of indoctrination of young people against religion. I have been greatly reassured through editorial comment and learned legal discussion which I have read in recent days that the High Court's decision probably is not as sweeping as I feared in my initial reaction.

I am greatly encouraged to note growing opinion that the Court's edict with respect to prayer in the public schools means only that no State or other branch of government can direct the utterance of a prayer. It does not appear that there is any bar to prayer on a purely voluntary basis, just so long as a given prayer exercise has not been officially promulgated by an arm of government.

Of course, the Constitution means what the Supreme Court says it means. But I am heartened by the belief that, in this instance, the Court did not say the Constitution forbids all religious practices in public schools. I do not believe that either the Founding Fathers or the members of the Supreme Court in their recent opinion meant to say that schoolchildren cannot sing the Star-Spangled Banner, which mentions God; did not mean to forbid schoolchildren from participating in Christmas observances; did not mean to forbid schoolchildren from reciting the Declaration of Independence, with its references to the Deity; and did not mean to forbid schoolchildren to take part in the pledge of allegiance to the flag, with its use of the words "under God."

All of these activities of schoolchildren are, of course, purely voluntary. If my understanding of the Supreme Court's decision is correct, they are permitted to be continued on that voluntary basis. That being the case, I cannot see any bar whatsoever to the participation of schoolchildren in voluntary prayer. It is impossible for me to believe that the Court said, on the one hand, "You must not pray in school," and at the same time told them it would be all right for them to continue to carry on their traditional exercises of song and recitation with mention of God.

Of course, we are told that the American Civil Liberties Union is planning a nationwide drive against all religious practices in public schools, including Christmas observances, Bible reading, recitation of the Lord's Prayer, and baccalaureate services.

Let us pray that the Supreme Court will not accede to such an atheistic program as that. It sounds like something that could have been dreamed up in the Kremlin. God help the United States of America if the Court ever interprets the Constitution that way.

FOURTH OF JULY CELEBRATIONS IN AMERICAN EMBASSIES

Mr. BECKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. BECKER. Mr. Speaker, I do not know under what policy, or what foreign policy, orders have been issued for the second year, that there shall be no celebration on July 4, our Independence Day, by our embassies and consulates all

over the world. We are told, perhaps, that not enough money is provided for our foreign embassies in order to help carry out these celebrations. Yet, when employees and officials and citizens abroad desire to put up the money themselves, the little money that is needed, they are told that they cannot even use the embassy grounds or the embassy quarters as a place in which to carry out the celebration of the greatest day in the U.S. history, the signing of our Declaration of Independence. I think we have reached a state of confusion in our thinking, when we have reached the point in our foreign policy, to prohibit the celebration of Independence Day. Perhaps, sometime we may have some kind of policy order to explain why.

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

Mr. BECKER. I yield to the gentleman.

Mr. BROWN. Has the gentleman investigated to learn whether or not the Supreme Court may not have declared it unconstitutional to celebrate the Fourth of July, our Independence Day?

Mr. BECKER. I am afraid from the decision that they rendered the other day with respect to prayer in our schools, they are liable to do that one of these days.

The SPEAKER. The time of the gentleman has expired.

CALL OF THE HOUSE

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

The SPEAKER. The gentleman from Missouri makes a point of order that a quorum is not present. Evidently, a quorum is not present.

Mr. ALBERT. 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. 136]

Addonizio	Frazier	Moss
Alford	Glenn	Multer
Alger	Granahan	Nygaard
Anfuso	Green, Pa.	Osmers
Bailey	Halpern	Pilcher
Baker	Hansen	Powell
Betts	Harrison, Va.	Rains
Blitch	Hiestand	Reece
Bolton	Hoffman, Mich.	Reuss
Bonner	Horan	Rogers, Tex.
Bromwell	Jones, Ala.	St. Germain
Buckley	Karth	Santangelo
Burke, Ky.	Kearns	Saund
Carey	Keogh	Schwengel
Casey	Kilburn	Scranton
Celler	Kowalski	Slack
Coad	Kyl	Spence
Corman	Landrum	Steed
Curtis, Mass.	Loser	Stratton
Davis, Tenn.	McSween	Stubblefield
Edmondson	McVey	Thompson, La.
Farbstein	Mailliard	Tollefson
Fino	Martin, Mass.	Walter
Fisher	Meader	Yates
Flood	Miller, George P.	Zelenko
Fogarty		

The SPEAKER. On this rollcall, 357 Members have answered to their names, a quorum.

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

PROHIBITING TRANSPORTATION OF GAMBLING DEVICES

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 698 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1658) to amend the Act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. COLMER. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 698 provides for the consideration of S. 1658, a bill to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce. The resolution provides for an open rule with one hour of general debate.

S. 1658 would amend the act of January 2, 1951, generally referred to as the Johnson Act, which prohibits the shipment of slot machines and other gambling devices into any State, unless the State, by law, has specifically exempted itself from the act. The purpose of the act was to lessen the revenue accruing to crime syndicates which were in control of the operation of substantial numbers of these devices, and to assist the States in enforcing their laws which make the possession, sale, or use of such gambling devices illegal.

Eleven years of experience in the enforcement of this law show that there are serious inadequacies in it which must be corrected. New gambling machines have been developed which are controlled by syndicated crime, but which are not subject to the provisions of the Johnson Act because they are not coin-operated, do not pay off directly or indirectly, and do not have a drum or reel as in the conventional slot machine—as described in the act. Principally they are pinball machines which afford players an opportunity if certain combinations are achieved to register a great number of free games, in some instances up to 999 free games. The odds on these machines may be changed by inserting more money into the machine or increase the number of balls that can be played by inserting more money. The free games can be played off or they can be eliminated from the machine. The number of accumulated free games eliminated from the machine are recorded by a meter and payment to the player for the number of free games canceled is made by the proprietor of the establishment or by his agent.

The bill would broaden the definition of the term "gambling device" in the Johnson Act so as to include such pinball machines and any other mechanical devices which are designed and manufactured primarily for use in connection with gambling and which when operated may deliver as a result of the application of an element of chance any money or property, either directly or indirectly.

Section 3 of the Johnson Act is rewritten so as to enable the Department of Justice to enforce the act more effectively by allowing it to ascertain who is involved in trafficking in gambling devices.

The bill will assist the States to enforce their laws and to combat organized crime.

Mr. Speaker, I urge the adoption of House Resolution 698.

Mr. SMITH of California. Mr. Speaker, as stated by the distinguished gentleman from Mississippi [Mr. COLMER], House Resolution 698 is an open rule providing for the consideration of the bill S. 1658, with 1 hour of general debate.

Back in 1951 the Congress passed a bill referred to as the Johnson Act, which made it illegal to transport from one State to another slot machines and certain other coin-operated gambling devices. It is interesting to note that at the time that particular law was passed an exemption was made so that if a State legislature declared gambing in a particular State to be legal, then the Federal statute does not cover that, or make it a crime to transport such equipment to that State. The bill under consideration here amends the present statute, and it will add that—and I read:

> Any other machine or mechanical device (including, but not limited to, roulette wheels and similar devices) designed and manufactured primarily for use in connection with gambling, and (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.

Certain claw machines and machines operated in connection with bowling or the like where they operate the machine itself, where there is not any chance of getting money or property by winning therefrom, are exempted from this statute.

I know of no objection to the rule. I assume the bill will pass very readily. But as a former law enforcement officer I cannot help but state that, in supporting a measure like this, I do so with my

tongue in my cheek because when you are passing Federal law it seems to me it should apply to all citizens. The police power is reserved to the States. We are going ahead in interstate commerce and passing a law. It seems to me it should be just as much a crime to transport these machines to any State, without giving the State the right to say gambling is legal, so that one State could say it is not a crime if this equipment is transported into that particular State.

I do not expect this is going to accomplish the conviction of a large number of people, nor will it stop crime to a large extent. We have a White Slave Traffic Act on the books, known as the Mann Act, which makes it illegal to transport women interstate for the purpose of prostitution, debauchery, or other immoral purposes. So if we carry out the theory of the pending bill, a State could make prostitution legal, and the White Slave Traffic Act would not apply. So girls could be transported into that State without violating the Federal law. This seems inconsistent to me. I doubt that we are going to stop much crime by this law. However, the Attorney General has asked for it and I personally will vote for it, but I do not think there will be any earth-shaking conclusion reached if we pass this bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, this is one of a number of antiorganized crime bills which the Attorney General requested last year, the new Attorney General, Robert Kennedy, and which were also requested, many of them, by the previous Attorney General in 1960, including this bill which I introduced in 1960 but was unable to get action on.

Last year, some four bills were passed of great importance, dealing with the field of organized crime and giving to the law enforcement authorities of this Nation the power to do something effective in fighting syndicated gambling and syndicated gangster activities that are known to exist and have been found to exist by the committees of this Congress. This bill is one of the tools that the Attorney General asks for and that the House Committee on Interstate and Foreign Commerce saw fit to vote out. I had the privilege of testifying on the bill before the committee, having this session introduced an omnibus bill including these measures in an effort to do something about organized crime in this country. This is one of the tools that is necessary in order to root out this more than $20 billion illicit take by syndicated national gangsterism. As I pointed out on the floor of this House before, last year the prohibition against traveling in interstate commerce for the purpose of perpetrating a crime of the nature in which organized gangster activities are involved was passed. And in supporting that bill I pointed out that in the last 30 years there have been some 23 sawed-off shotgun or ganster-type murders in Tampa, Fla., in my district, and the objective of prohibiting travel in interstate commerce was to give the Attorney General authority to investigate in these instances where organized crime appeared to be involved, in that the Attorney General did not have such authority according to his own rulings prior to that time. Other bills passed are hereafter listed:

Public Law 87-368: H.R. 468 (my bill, H.R. 3023)—approved October 4, 1961 amending section 1073 of title 18—extends the Fugitive Felon Act to cover all crimes by clarifying crimes and offenses—flight to avoid prosecution or giving testimony.

Public Law 87-216: S. 1656 (my bill, H.R. 3022)—approved September 13, 1961 amending chapter 50 of title 18—makes it a Federal crime punishable by $10,000 fine and/or 2 years imprisonment to lease, furnish, or use wire communications facilities for the transmission of gambling information.

Public Law 87-218: S. 1657 (my bill, H.R. 3246)—approved September 13, 1961 amending chapter 61 of title 18—prohibits the interstate transportation of wagering paraphernalia and prescribes a fine of $10,000 or imprisonment for 5 years or both.

Public Law 87-228: S. 1653 (title XI, my bill, H.R. 6909)—approved September 13, 1961 amending chapter 95 of title 18—makes it a Federal crime to travel or use any facilities in interstate commerce in aid of racketeering enterprises.

Public Law 87-486: H.R. 3247, Cramer bill—approved June 19, 1962 amending section 2385 of title 18—to clarify the definition of the term "organize" as used in the Smith Act of 1940, which outlaws conspiracy to overthrow the Government of the United States.

I think this is a good bill also, and I ask for its adoption.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1658) to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce.

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 consideration of the bill, S. 1658, with Mr. LANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. HARRIS] is recognized for 30 minutes and the gentleman from Illinois [Mr. SPRINGER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill S. 1658, as reported by the Committee on Interstate and Foreign Commerce, would amend the act of January 2, 1951, which is generally referred to as the Johnson Act which relates to the transportation of slot machines and certain other coin-operated gambling devices in interstate commerce.

This legislation has been recommended by the Attorney General of the United States, the Honorable Robert F. Kennedy, as part of the Justice Department's legislative program to combat organized crime and racketeering.

EXPLANATION OF BILL

In 1951 the Congress passed legislation known as the Johnson Act—Public Law 81-906—to outlaw slot machines; that is, the "one-armed bandits," and similar gambling devices by prohibiting the use of the channels of interstate or foreign commerce for the shipment of such machines or devices to State where they were prohibited by law.

However, this law did not cover what is referred to as certain pinball machines, roulette wheels, and other similar mechanical devices designed for use primarily in gambling. At our hearings, the committee was advised that the profits from such gambling are huge and they are the primary source of funds which finance organized crime all throughout the country.

The pending legislation would broaden the definition of gambling devices contained in the Johnson Act in order to extend the provisions of that act to additional gambling devices not now covered, namely, machines and mechanical devices—including, but not limited to, roulette wheels and similar devices—designed and manufactured primarily for use in connection with gambling, and first, which when operated may deliver, as a result of the application of an element of chance, any money or property, or second, by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.

Exempted from the legislation are:

First. Machines and mechanical devices designed and manufactured primarily for use at a racetrack in connection with parimutuel betting.

Second. Machines and mechanical devices such as coin-operated bowling alleys, shuffleboards, marble machines—so-called pinball machines—and mechanical guns, which are not designed and manufactured primarily for use in connection with gambling, and, first, which, when operated do not deliver, as a result of the application of an element of chance, any money or property; or second, by the operation of which a person may not become entitled to receive, as the result of the application of an element of chance, any money or property.

Third. So-called claw, crane, or digger machines which are not operated by coin, are actuated by a crank, and are designed and manufactured primarily for use at carnivals or county or State fairs.

In other words, machines and mechanical devices which are not designed and manufactured primarily for use in connection with gambling are not covered by the bill.

Section 2 of the present statute—15 U.S.C 1172—prohibits the transportation of slot machines and certain other coin-operated machines and their parts into a State or subdivisions thereof unless the legislature of that State has enacted legislation specifically exempting that State or such subdivisions from the provisions of this law. Only the State of

Nevada has enacted legislation exempting it from the provisions of the act. The bill would amend this section to make it inapplicable to gambling devices which are used or designed for use at, and transported to, licensed gambling establishments where betting is legal under applicable State laws.

There is no prohibition in the bill against the exportation of any gambling device to any foreign country.

The bill would revise the present registration and marking provisions of the Johnson Act. Under present law, only an inventory and record of sales or deliveries must be filed with the Attorney General by certain manufacturers of and dealers in gambling devices. Under the bill every manufacturer of a gambling device whose activity in any way affects interstate or foreign commerce would be required to register annually with the Attorney General prior to engaging in the manufacture of such device, without regard to whether the device moves in interstate or foreign commerce. Similar registration requirements would be imposed on anyone who engages in the business of repairing, reconditioning, buying, selling, leasing, using, or making available for use by others any gambling device, if in such business he sells, ships, or delivers, such a device knowing that it will be introduced in interstate or foreign commerce or if he buys or receives such a device knowing that it has been transported in interstate or foreign commerce.

Each registrant must set forth his name, trade name, place of business, the place where the required records are to be maintained, and the type of activity requiring registration which he intends to engage in during the calendar year.

Each manufacturer of a gambling device must number seriatim each gambling device manufactured by him and permanently affix on the device in a place clearly visible the number and name of the manufacturer and the date of manufacture. Subassemblies and essential parts intended for use in such machines or devices must similarly be identified, if their size permits.

Each registrant must maintain a record of each gambling device, properly identified, which was, first, manufactured, purchased, or otherwise acquired by him; second, owned or possessed by him or in his custody; and, third, sold, delivered, or shipped by him.

The record must also show the name and the address of the person from whom the device was purchased or acquired and to whom it was sold and the consignee. The name and address of the carrier must also be recorded.

Records must be kept for at least 5 years and agents of the Federal Bureau of Investigation shall have access to and the right to copy any records required to be kept by this legislation. Production of these records may be compelled and a grant of immunity given if the privilege against self-incrimination is asserted. The purpose of the record-keeping provision is to enable the Attorney General to trace the shipment of any gambling device from its origin to final destination in order to determine whether the provisions of the act have been violated.

Violations are punishable by a fine of not more than $5,000 or imprisonment for not more than 2 years, or both.

NEED FOR LEGISLATION

The Johnson Act prohibits the shipment of slot machines and other gambling devices into any State, unless the State, by law, has specifically exempted itself from the act. The purpose of the act was to lessen the revenue accruing to crime syndicates, which, according to testimony before the committee during the 81st Congress, were in control of the operation of substantial numbers of these devices, and to assist the States in enforcing their laws which make the possession, sale, or use of such gambling devices illegal.

The gambling devices now covered by the Johnson Act are first, slot machines and other machines and mechanical devices, an essential part of which is a drum or reel with insignia thereon, which when operated may deliver as a result of the application of an element of chance any money or property or which may entitle the player to receive money or property; second, machines and mechanical devices designed and manufactured to operate by means of insertion of a coin, token, or similar object, and designed and manufactured so that when operated they may deliver, as a result of the application of an element of chance, any money or property; and third, subassemblies or essential parts of such machines and devices.

Eleven years of experience in the enforcement of this law show that there are serious inadequacies in it which must be corrected. New gambling machines have been developed which are controlled by syndicated crime, but which are not subject to the provisions of the Johnson Act because they are not coin-operated, do not pay off directly or indirectly, and do not have a drum or reel as in the conventional slot machine. Principally they are pinball machines which afford players an opportunity, if certain combinations are achieved, to register a great number of free games, in some instances up to 999 free games. These machines usually have a mechanism whereby the player can change the odds merely by inserting more money into the machine or increase the number of balls that can be played by inserting more money. These free games can be played off or they can be eliminated from the machine by pressing a button or lever. The number of accumulated free games eliminated from the machine are recorded by a meter and payment to the player for the number of free games canceled is made by the proprietor of the establishment where the gambling machine is located or by his agent.

The bill broadens the definitions of the term "gambling device" in the Johnson Act so as to include such pinball machines and any other mechanical devices which are designed and manufactured primarily for use in connection with gambling and which when operated may deliver as a result of the application of an element of chance any money or property, either directly or indirectly.

Pinball and other machines, intended for amusement only, which award a limited number of free plays that are not convertible to money or other things of value, are not covered by this legislation.

The bill also rewrites section 3 of the Johnson Act in order to resolve certain questions raised by the Supreme Court of the United States in *United States* v. *Five Gambling Devices* (346 U.S. 411 (1953)). As rewritten, this section enables the Department of Justice more effectively to enforce the act by allowing it to ascertain who is involved in trafficking in gambling devices.

As in the case of the original Johnson Act, the bill will assist the States to enforce their laws and to combat organized crime. The Department of Justice has informed the House Committee on Interstate and Foreign Commerce that the proceeds from the operation of gambling devices, particularly from pinball machines designed and manufactured for gambling, is one of the financial mainstays of organized crime. Racketeers have infiltrated to a greater or lesser extent all phases of the gambling industry including manufacturing, distribution, ownership of gambling devices, and ownership of the locations where such devices are placed. Primarily because of the inhibitory effect of the Johnson Act on the interstate distribution of slot machines, the racketeers have concentrated their efforts largely upon developing pinball machines as gambling devices because they are not covered by existing provisions of the act.

As has been said already this legislation is recommended by the Attorney General of the United States as a part of the program of the Justice Department to combat organized crime and racketeering in the country. As was stated by the gentleman from Florida, this is part of a package program which the Attorney General has recommended to strengthen the arm of the enforcement officers in their effort to combat organized gambling and syndicated crime.

The Attorney General under the previous administration also recommended this proposal.

As the gentleman from Florida stated, several of the recommendations have already been passed and are part of the law of the land today.

This bill is one that relates primarily to gambling devices. It becomes a little bit more complicated than some of the other recommendations to combat organized crime because of technicalities, and the many devices involved here. There is a fine distinction, in some instances, between a machine or device that is intended for gambling and one that is intended for amusement. That makes the problem a little more difficult to resolve.

To give you a little background let me recall that in 1951 the Congress decided, after recommendations from the Department of Justice and many other people throughout the country, to outlaw completely the interstate shipment of what we refer to as the "one-armed bandits,"

that is, the old slot machines, unless a State enacted legislation specifically exempting itself from this law. The language of this law, however, refers specifically to slot machines and machines which were designed and manufactured to operate by means of insertion of a coin or token and which, when operated, may deliver, as a result of the application of an element of chance, any money or property.

It does not cover any other mechanical devices regardless of the fact that such devices are being use for gambling that would even outdo the slot machines. And whenever you devise a machine that can outdo the slot machines, the old one-armed bandits, then the ingenuity of the mind has gone mighty far, as you know. But that is exactly what has happened. We had some of these machines set up in the committee for demonstration purposes.

I know there are differences of opinion among the legal authorities about some of those machines. Nevertheless, with the explanation we had from those familiar with them and who operate them—and we saw them set up and operated—I will say, very frankly that the multiple-coin electrically operated machine is something to behold.

Because of what has happened in this field during these 11 years, and the limitations of the law, the Department of Justice feels it is unable to combat certain syndicated and organized gambling, unless their authority is strengthened to deal with this type of operation. That is what we tried to do here.

We broadened the definition of gambling devices contained in the Johnson Act in order to extend the provisions of that act to additional gambling devices that are not covered, as I explained. That is the kind of machines and mechanical devices designed and manufactured primarily for use in connection with gambling and when operated may deliver, as a result of the application of the element of chance, money or property, or by the operation of which a person may become entitled to receive, as a result of the application of the element of chance, money or property.

There are certain exemptions, such as machines and mechanical devices designed and manufactured primarily for use at a racetrack in connection with parimutuel betting. This is recognized as being in line with the action taken by a majority of the legislatures in the country. They are not used by organized crime. Then there are machines and mechanical devices, such as coin-operated bowling alleys, shuffleboards, marble machines, and mechanical guns, which are not designed and manufactured primarily for use in connection with gambling and when operated do not deliver, as the result of the application of any element of chance, any money or property.

The third exemption covers the so-called claw, crane, or digger machines which are designed and manufactured primarily for use at carnivals or county and State fairs.

If the Members will get a copy of the bill, and if they have any questions about it, I think I can very quickly refer to the crux of this proposal. There have been a great many questions on the part of many Members and many interested parties as to what this bill would do.

I would refer, Mr. Chairman, to the language of the bill itself. You must, in the determination and interpretation of this question, keep your mind on this particular section.

Mr. Chairman, the heart of this bill is in paragraph 2, in the first section of the bill. Let me read it to you:

> Any other machine or mechanical device (including, but not limited to, roulette wheels and similar devices) designed and manufactured primarily for use in connection with gambling.

You have to have those two elements. The manufacturing concern has got to design and then make this machine primarily for use in connection with gambling. In other words, if a manufacturer designs and manufactures a machine primarily for amusement purposes and not in connection with gambling, it does not come under the provisions of this language.

Now, there are two other things that go with it:

> And (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.

Now, we talk about the effect of all these provisions and sometimes we forget about the heart of the bill. Let me remind you that when people start talking about how this bill would affect a pinball machine or a bingo game or any number of such devices that are designed and manufactured primarily for use as amusement machines, and so forth, the bill does not apply to such games.

We have heard a lot about the Attorney General being given unlimited authority. Actually, the Attorney General is given authority in this matter only as is stated in this paragraph.

Now, if we want to get down to it and say that we want to permit just a little gambling, then we must argue and discuss it some, because this is not one of those things where you can say that we are going to permit just enough of it so that we can get by with it. You cannot design legislation to separate that kind of activity. You cannot say: "Put your foot in the water up to your ankle, and to that extent it is all right, but if you are going into it up to your knee, it is not all right." We cannot do it.

We took the legislation presented to us and rewrote it completely and improved it, in my judgment. I considered an amendment which I submitted to the Justice Department that would make it unlawful to transport any gambling device in interstate commerce to any place in a State where the possession or use of such gambling device is unlawful. The Attorney General came back with an explanation as to what this amendment would do. I saw from the information that he submitted to us that it would hamper the Department in its effort to control this kind of recognized gambling. I had to give up on it, because we might as well have no bill at all if that amendment were adopted.

I asked the attorney general of my own State to send me the provisions of the law applicable to these machines, and I say to you that I am confused about what the law is in my home State with respect to certain types of machines. In many other States, you have the general law applicable, on the one hand, and then you have other laws saying that certain machines would be taxed $10 or $50, or whatever it might be.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. HARRIS. Mr. Chairman, I yield myself 5 additional minutes. I want to make this record clear.

Mr. Chairman, consequently, we have a situation where there are certain machines which, strictly speaking, are considered in certain jurisdictions and by certain court interpretations as illegal in that State, and you have the same State taxing them and collecting a license fee. We have some States in which there is no law with reference to them or any statutes on them, but there are decisions of the court with reference to them.

Mr. Chairman, we have other States where there are certain decisions of the court that are somewhat contrary to what seems to be the intent and purpose of the statute. So the situation is very confused and I think the Attorney General was correct when he said "If you did what you suggest, we might as well have no bill at all."

Consequently, I could not do anything but agree with the Attorney General when I saw what the facts were.

Mr. Chairman, we have exempted certain types of machines that are traditionally used in connection with State fairs, carnivals, and matters of that kind, but actually that exemption needs broadening a little bit. The State fair managers, only in the last day or two, contacted me about it, and they say that the only machine that is exempted is the old claw-type machine, which is purely used for amusement and nothing else. They would like to have the exemption broadened to cover other types of machines of a similar nature. I think, perhaps, they are right about it. But we did not know about it at the time. We will consider that probably at a later time, perhaps, in conference.

I am trying to explain what the committee has done in connection with this bill in order that you may know that the committee has tried to work out a bill giving the Attorney General the authority that he needs to deal with this kind of illegal operation. At the same time the committee has recognized the importance of some kinds of amusement-type operations within communities and within States, and has tried to recognize that kind of operation where we could, without going contrary to the main purposes and intent of the legislation.

Mr. Chairman, I think we have as good a bill as we could get under the circumstances.

Mr. PELLY. Mr. Chairman, would the distinguished chairman of the Committee on Interstate and Foreign Commerce yield?

Mr. HARRIS. I would be glad to yield to the gentleman from Washington, who appeared before the committee and explained the dilemma in his own State. His was one of the jurisdictions to which I referred a moment ago.

Mr. PELLY. I certainly want to compliment the gentleman on his explanation of the bill. The gentleman knows that in the report—and I think specifically in the third paragraph on page 6—it reads as follows:

> Pinball and other machines, intended for amusement only, which award a limited number of free plays that are not convertible to money or other things of value, are not covered by this legislation.

Am I right in inferring that the committee's intention is that an amusement device shall be defined as only that device which registers free plays?

Mr. HARRIS. If it is a machine or mechanical device that registers free plays and there is to be no money or property given in exchange for the free plays, that machine or device would be for amusement and, therefore, it would not come within the provision of this legislation.

I want to say this: The Attorney General was very frank. He said he was trying to get at machines which were designed and manufactured primarily for use in connection with gambling which were being used by organized or syndicated crime. I go back to the basic principle involved here; namely, the purpose for which the machine was designed and manufactured. If someone else converted it to a different thing then that does not hold the manufacturer liable.

The Attorney General said that very likely there are instances in which there might be a prize given. He named certain types of prizes, such as a hat, or something of that kind, which he would not consider to be an illegal operation.

Mr. PELLY. Mr. Chairman, if the gentleman will yield further, I take it, then, that a free play is not considered a thing of value?

Mr. HARRIS. Not in itself, unless the player could convert a free play to a thing of value. If a machine was designed and manufactured for a particular purpose contrary to the statute and as the result of the free play you could collect money or property, I would say that machine would be prohibited from shipment in interstate commerce, unless the State specifically exempted itself from this law.

Mr. PELLY. Mr. Chairman, if the gentleman will yield for one more question, what I would like to have in the RECORD, because I think it would be helpful to some of us from States where we are confused as to the situation, is what does the committee consider a limited number of free plays?

Mr HARRIS. There was discussion in the committee, and I believe in the course of the hearings there was some reference made to a machine, for an example, which could register up to 99 free plays and an opinion was expressed that probably such a machine would be considered in the category of the amusement type of operation; and if it went over that it would be considered a type that was in violation of this act. We cannot say categorically that that is true.

Mr. PELLY. Then who is going to determine that? Will we have to take 3½ years to go to the Supreme Court to decide that, or cannot the committee spell out pretty clearly its judgment on that point?

Mr. HARRIS. In my judgment the committee has tried to spell it out as clearly and as positively as it could, when it stated in the report that pinball and other machines intended for amusement only which awarded a limited number of free plays not converted to money or other things of value are not covered by this legislation.

I believe you cannot say it any plainer than that.

Mr. PELLY. I thank the gentleman, and again I want to compliment him on the explanation he has made. The gentleman has been very helpful, as far as he could go. I called the Attorney General's Office and asked whether the original bill that they proposed would affect my State, and they said that they did not know. Then I went to the committee, and I must say I am still a little bit confused. But I think the gentleman has done a very good job.

Mr. HARRIS. In my judgment, from what the gentleman said in his testimony and from what others have said about that type of operation, some of the machines used in his State would be prohibited from moving in interstate commerce under this act. Some who are operating in the gentleman's State would come under the amusement exemption here. If the gentleman has in his State these elaborately devised multiple-coin-operated machines which pay a certain amount for canceled free plays and where you can run up the odds by putting in more money, I think everyone would have to say that that was, per se, a gambling machine.

Mr. PELLY. I thank the gentleman.

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

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

Mr. LINDSAY. Mr. Chairman, I should like to ask the distinguished chairman of the committee whether or not the word "gambling" is defined anywhere in the bill.

Mr. HARRIS. For this purpose it is defined in the Johnson Act.

Mr. LINDSAY. How does the Johnson Act limit the word "gambling"? Does it tie it down in any particular way?

Mr. HARRIS. As it presently stands, the act defines a "gambling device" to include the one-armed bandit, the slot machine, and certainly other coin-operated machines. This bill would expand on the definition of "gambling device."

Mr. LINDSAY. The gentleman singled out paragraph (2) on page 7 of the bill where it says:

> Any other machine or mechanical device (including, but not limited to, roulette wheels and similar devices) designed and manufactured primarily for use in connection with gambling.

That means any machine or any device which is used in connection with gambling. So the only question I have is, What does "gambling" mean?

Mr. HARRIS. It does not mean only any machine designed and manufactured primarily for use in connection with gambling. We have to consider also clauses (A) and (B) in this paragraph.

Mr. LINDSAY. Would that include devices that are used for the transmission of information and other mechanical devices on the stock market?

Mr. HARRIS. No, it would not. We have already passed a bill that would preclude, I believe, the transmitting of gambling information by wire. The gentleman is familiar with that.

Mr. LINDSAY. That is right. I was just trying to make sure I understood clearly what the definition of gambling was.

Mr. HARRIS. I think most all States of the country have court decisions, but, in general, everybody knows what gambling is.

Mr. LINDSAY. There is no general definition in this bill or in the Johnson Act, I take it?

Mr. HARRIS. No, there is not.

Mr. LINDSAY. What are the criminal penalties that would be applied to this?

Mr. HARRIS. Anyone who violates any of the provisions of section 2, 3, 4, or 5 of this act, as amended, would be fined not more than $5,000 or imprisoned not more than 2 years, or both.

I do want to say this: The Attorney General will have to determine, in the initial instance, whether a particular machine has been designed and was manufactured primarily for use in connection with gambling. But the courts will have the final say as to whether or not his determination is correct.

Mr. LINDSAY. In other words, whether it is a gambling machine.

Mr. HARRIS. That is right.

Mr. LINDSAY. Has the committee considered attempting to draft a definition of the word "gambling" in order to establish some guideline?

Mr. HARRIS. I do not believe we have. I think that was accepted per se, and everybody seemed to understand what it is.

Mr. SPRINGER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think there was some misunderstanding with reference to this law. This is in reality an amendment to the Johnson Act. First of all, you have to understand that the Johnson Act covered only slot machines. Slot machines relatively are defined as follows: Gambling devices as prohibited under the Johnson Act could be defined as "slot machines and other machines and mechanical devices, which when operated may deliver as a result of the application of an element of chance any money or property or which may entitle the player to receive money or property; and second, machines and mechanical devices designed and manufactured to

operate by means of insertion of a coin, token, or similar object."

Then the third thing prohibited by the Johnson Act was the subassemblies or essential parts of such machines and devices, which essentially are in the nature of a slot machine. That was the Johnson Act.

What we are doing today is amending the Johnson Act, or I should say including additional legislation in the Johnson Act which covers the matters requested by the Attorney General.

The committee bill broadens the definition of the term "gambling device" in the Johnson Act so as to include such pinball machines and any other mechanical devices which are designed and manufactured primarily for use in connection with gambling and which when operated may deliver as a result of the application of an element of chance two things, or either of them, money or property.

The first part under subsection (2) of the committee bill, (A), I think is very clear, as follows:

Which when operated may deliver, as the result of the application of an element of chance, any money or property.

Section (B), which I think is just as important and generally not understood, as I take it here today from the questions that have been asked.

(B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.

In other words, the machine itself does not deliver money or the property, but as the result of chance that is taken, he may be entitled to money or property separately from the machine.

That is essentially what this bill covers.

There is one thing further. The committee bill also rewrites section 3 of the Johnson Act in order to resolve certain questions raised by the Supreme Court of the United States in *United States* v. *Five Gambling Devices* (346 U.S. 441 (1953), the decision which was handed down in June 1953.

As rewritten, this section enables the Department of Justice more effectively to enforce the act by allowing it to ascertain who is involved in trafficking in gambling devices.

Now what is the major reason for this legislation? Is this because we have had somebody out in Colorado or somebody in Maine or somebody in Alabama or some attorney general raise this question, or some prosecuting attorney? That is important, but I think more than that it is the question that has been raised by the Attorney General giving these reasons:

The Department of Justice has informed the committee that the proceeds from the operation of gambling devices, particularly from pinball machines designed and manufactured for gambling, is one of the financial mainstays of organized crime. Racketeers have infiltrated to a greater or lesser extent all phases of the gambling industry including manufacturing, distribution, ownership of gambling devices, and ownership of the locations where such devices are placed. Primarily because of the inhibitory effect of the Johnson Act on the interstate distribution of slot machines, the racketeers have concentrated their efforts largely upon developing pinball machines as gambling devices because they are not covered by existing provisions of the act.

That is another reason for this legistion.

Now I would like to answer the distinguished gentleman from California [Mr. SMITH] who raised the question a moment ago that these devices in this bill could be imported into States which allow gambling legally under the laws of the State. An example of that is the State of Nevada. I, personally, would have been willing to support legislation which would have prohibited that because it seems to me it is in the nature of our Government to prohibit whatever we believe, that is, whatever the Federal Government believes to be in the public interest, and I think the transportation of these devices in interstate commerce is against the public interest no matter to which State they may go. I, personally, would have supported that position on the bill in committee, but we could not get that out of the committee. What we bring you today is the only legislation that could be put through in the committee. The committee felt they were taking a step forward. I believe they have and I think we have substantially given the Attorney General all the authority he requested when he came before our committee to testify.

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

Mr. SPRINGER. I yield to the gentleman.

Mr. LINDSAY. I just want to get clear in my mind how much this might cover. As I understand it, under subparagraph (2) and subparagraph (12) (b) the paragraph which the gentleman just read, the bill would cover any device at all that was used in connection with something that the Attorney General should call gambling. Is that not true under the language of this bill?

Mr. SPRINGER. Actually, if you want to be a constitutional lawyer about this, all this legislation does, may I say to the distinguished gentleman, is to define what is prohibited—that is all.

Mr. LINDSAY. Yes, but included in that definition conceivably, just to take an example, there could be a mechanical device that is used in connection with stock transactions in the event that the Attorney General should say that stock transactions constitute gambling.

Mr. SPRINGER. Stock transactions under the law are legal, I may say to the gentleman; that is not gambling and has not been so interpreted by any court. That is regulated by the Securities Exchange Commission, an agency of the Federal Government.

Mr. LINDSAY. In other words, this bill would not be operative in any State except insofar as the State has declared that sort of thing to be illegal under the head of gambling.

Mr. SPRINGER. The gentleman is partially right.

Mr. LINDSAY. In other words it does not purport to create any Federal substantive law on the subject of gambling.

Mr. SPRINGER. No. This prohibits the shipping of gambling devices. A gambling device is defined in the Johnson Act.

Mr. HARRIS. Yes, it is defined in the first section of the act of January 2, 1951.

Mr. SPRINGER. Would the chairman be good enough to read that for us?

Mr. HARRIS. I shall be glad to. This section, as it would be amended by this bill, would read as follows:

(a) The term "gambling device" means—

(1) any so-called "slot machine" or any other machine or mechanical device an essential part of which is a drum or reel with insignia thereon, and (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or

(2) any other machine or mechanical device (including, but not limited to, roulette wheels and similar devices) designed and manufactured primarily for use in connection with gambling, and (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or

(3) any subassembly or essential part intended to be used in connection with any such machine or mechanical device, but which is not attached to any such machine or mechanical device as a constituent part.

Mr. LINDSAY. I understand gambling devices are defined in that paragraph and I understand also mechanical devices intended to be used for gambling are defined.

Mr. SPRINGER. Paragraph 2 embraces any other machine or mechanical device provided it is used in fact for gambling. The bill does not become operative unless there is a specific area covered by this law.

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

Mr. SPRINGER. I yield.

Mr. HARRIS. Neither the original bill nor this one attempts to define gambling as such, but it does define a gambling device. That is what we are trying to reach here today.

Mr. LINDSAY. I understand that, but what about a mechanical device which is used in connection with gambling under paragraph 2 here, not including a mechanical device which meets the definition of a mechanical device but is used in connection with stock exchange transactions, if the Attorney General says a stock exchange transaction is gambling——

Mr. HARRIS. Mr. Chairman, will the gentleman yield at that point?

Mr. SPRINGER. I yield.

Mr. HARRIS. I would say to the gentleman from New York that in order for a machine to be considered as a gambling device, other than the slot machine, of course, it would have to be designed and manufactured primarily for gambling and (a) which when operated may deliver, as a result of the application of an element of chance, any money or property, or (b) by the operation of which a person may become entitled to receive, as a result of the application of

an element of chance, any money or property. I do not know of any devices that are used in connection with stock exchanges that would come within this definition of a gambling device.

Mr. LINDSAY. That would not include telephones? Where you drop a coin in a telephone, and call your broker? That would not be part of this? Do you follow me? I has nothing to do with communications devices?

Mr. HARRIS. Not at all, not at all.

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

Mr. SPRINGER. I yield.

Mr. WAGGONNER. Under the definition of gambling device which was explained by the chairman of the committee would it apply to such devices as are found in clubrooms at golf courses, wherein slot machines are actually used to win golf balls? That would not be classified as a gambling device?

Mr. HARRIS. I think undoubtedly it would be, because if I deposit a coin and property or money is received as a result of the application of an element of chance I think it would be.

Mr. SPRINGER. The gentleman is talking about a machine or device. It is my opinion that that would be a gambling device covered by this legislation.

Mr. WAGGONNER. I thank the gentleman.

Mr. SPRINGER. I am sure the gentleman understands that the violation dealt with in this bill is the shipping of such devices in interstate commerce.

All that the Federal Government has the authority to do under this legislation is to prevent those devices or machines used for gambling from being transported in interstate commerce. Constitutionally the Federal Government can get jurisdiction only of violations in interstate commerce.

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

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

Mr. WRIGHT. Perhaps this might in some degree clarify the concern expressed by the gentleman from New York. Gambling has been defined in most State statutes, and I believe in the Federal law, as consisting of three elements: Prize, chance, and consideration. A prize must be given, it must be won by chance, and some consideration must be paid for the chance. Is that not true?

Mr. SPRINGER. I think the gentleman has reduced it to the irreducible.

Mr. WRIGHT. In the situation presented by the gentleman from New York, I believe the courts would surely hold that the element of chance was not the dominating item, although some of us might feel in a generic sense there is chance in the stock market, but rather than chance the stock market is one of skill, to some extent. At least that surely, in my opinion, and I believe in the opinions of others, would be the ruling of the Court.

Mr. SPRINGER. May I say that securities and the exchange of those are subject to the Securities and Exchange Commission, an agency created by the Congress for the purpose of regulating and trading in stocks and bonds. That is, of course, legal under the law.

Mr. RIVERS of Alaska. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Alaska.

Mr. RIVERS of Alaska. A little while ago there was mention made of machines or devices purveying golf balls or other goods. Might there not be vending machines where the gambling element does not enter into it, and where there is no undue profit but simply vending machines, which would not come under this act?

Mr. SPRINGER. I can assure the gentleman we do not cover vending machines. The gentleman is talking about where you put a nickel in and a candy bar comes out?

Mr. RIVERS of Alaska. Yes.

Mr. SPRINGER. Or where you put 75 cents in and you receive a golf ball?

Mr. RIVERS of Alaska. Yes.

Mr. SPRINGER. Those are legal vending machines and they are not covered. The Attorney General did not even bring those matters up, because he felt that they were not gambling devices.

Mr. RIVERS of Alaska. The wording previously used was such that I thought the RECORD should be made clear.

Mr. SPRINGER. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. FRIEDEL.]

Mr. FRIEDEL. Mr. Chairman, first may I say that I am wholeheartedly in accord with the purpose of this legislation, and I believe every Member of Congress is in agreement with its purpose.

I would also like to compliment the chairman of the Committee on Interstate and Foreign Commerce for his patience in the hearings pertaining to this bill.

I have not offered any amendment and I shall support the bill. However, I do want to ask a few questions to clear up some points regarding the effects of this bill on State laws.

For instance by an act of the legislature, pinball machines are legal in the State of Maryland. I want to know, in the case of Baltimore City, if it licenses pinball machines, whether these machines will be permitted to be shipped interstate or not. In Baltimore City we get a fairly good amount of revenue from pinball machines.

What I am referring to is when these machines do not pay any money, or give merchandise, but just free games; free plays. Will they be permitted to be shipped interstate?

Mr. HARRIS. If they are designed and manufactured for the purpose which the gentleman just mentioned, then they would not come within the purview of this act and therefore would not be in violation.

Mr. FRIEDEL. There is another statute on the books in Maryland where they allow bingo in churches, bazaars, and veterans' clubs. I think they pay up to $15 or $25—I am not sure which—in cash prizes. Now, there are certain devices, cages, that are used in a bingo game. Would they be permitted to be shipped in interstate commerce or not?

Mr. HARRIS. I think it would depend upon the nature of the machine, the kind of machine it was. You would have to see the machine before you could determine, from what the gentleman just said, whether or not the Attorney General would construe it to be in violation.

Now, the bill provides an exemption for so-called claw, crane, or digger machines used at carnivals and fairs that may offer a prize if the player is skillful. But, where there is a device that is gambling per se, if, as the gentleman said a moment ago, it is one of these machines that would entitle the player to $15 or $20, why, they might as well say "If you make them legal, you can give $75 or $100 or $750 to $1,000." Naturally there has got to be some limitation placed somewhere.

Mr. FRIEDEL. The reason I asked the question was this. In referring to the transcript of the hearings before the Committee on Interstate and Foreign Commerce on H.R. 3024 and the other bills, I find the following question by Mr. WILLIAMS and answer by the Attorney General.

> Mr. WILLIAMS. I am talking about the basket that holds the little balls that they turn and draw the balls from. Obviously that is a mechanical device and obviously it would come within the purview or the definition that is carried in subparagraph (2) of this bill. Would the Attorney General have a right to exempt that type of equipment?
>
> Mr. KENNEDY. I don't think so. I don't think we have the right to exempt that kind of equipment. I think that that might very well be covered.

Now, when the State of Maryland or Baltimore city allows legal payoffs on bingo up to $25 or $50, whatever the prize might be, would they be allowed to ship these baskets or other things that go along with the bingo game in interstate commerce?

Mr. HARRIS. Again I would say to the gentleman you have got to observe the particular type of machine or device at the time. It would be difficult for me to say a given machine is exempted or included, if it is on the borderline. Mr. WILLIAMS, a distinguished member of the committee, is here. He was helping the committee develop this problem. At the time we were talking about bingo games, as I recall, there was some question that came up about bingo games, and maybe certain organizations, even some religious groups, church socials, and so forth that used them, and the Attorney General said that type of operation would come within the purview of amusement and entertainment. It is not part of organized syndicated gambling, which constitutes a crime. That is the purpose of the proposal here, to get at gambling which is operated by and for organized crime.

Mr. FRIEDEL. Well, as I have said, I am not for organized crime or vice, and I do not believe any Member here is. I just wanted to have certain parts of the bill clarified.

Assuming that the type of pinball games sought to be banned are presently

legal in numerous States, would such States have to enact exemption laws, as provided in section 2 of the Johnson Act, before any more of such pinball games could be transported therein? Further, would such exemption law have to admit all gambling devices?

In other words, would such exemption permit the admission of gambling devices that are presently legal?

Mr. HARRIS. If a State enacts a law specifically exempting itself from the Johnson Act, then the Johnson Act would not apply to it.

Mr. FRIEDEL. Assuming that a pinball machine or gambling device sought to be banned under this bill is presently legal, would such exemption laws force the admission of all such gambling devices: Would they have to admit them or not?

Mr. HARRIS. If the State enacted a law exempting itself from the Johnson Act, then all machines which are covered in the definition of "gambling device" in the Johnson Act could be transported to or from that State.

Mr. FRIEDEL. All right. I thank the gentleman from Arkansas, the Chairman of the Committee on Interstate and Foreign Commerce. I just wanted to clarify some of these questions.

Mr. HARRIS. I wish I could make it clearer, but I do not believe I can.

Mr. SPRINGER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I am in favor of this bill as reported. However, I do support the bill with some hesitation. The fact was mentioned by the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS], that the discretion of determining what is a gambling device rests solely with the Attorney General. We wrestled with that point, and we found that we could not give a definition that was satisfactory. Because we could not give a definition that was satisfactory, we had to leave it as a discretionary power and authority and decision solely with the Attorney General.

Mr. Chairman, there is one other point that has not been mentioned. That is the point with reference to manufacturers of gambling devices. Section 3 (a) (1), on page 8 of the bill, states as follows:

> It shall be unlawful for any person engaged in the business of manufacturing gambling devices—

There, again, is involved a decision of the Attorney General. The manufacturer must register whether he ships his articles in interstate commerce or not. He may be dealing solely in a product in a State which permits gambling. For instance, the State of Nevada is exempt under this bill, and a manufacturer of a gambling device in Nevada will have to register with the Attorney General even though he does not ship his gambling devices outside the State of Nevada. That was not made clear. But it is a fact. In the bill this is nesessary so that the Attorney General can trace these devices when they do go outside of the State, because they are numbered, and are registered, and are carried under that registration number with the Attorney General.

Mr. HARRIS. Mr. Chairman, I yield the balance of the time on this side to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, I take this time just to clarify some things that are important to this legislation. Before I do that, I congratulate my distinguished chairman, the gentleman from Arkansas [Mr. HARRIS], on a very wonderful statement which I think drew the lines of demarcation which are so necessary in legislation of this kind as to the differential between a device which is used for gambling and a device or thing which is used for amusement purposes, which may be a matter of question.

Mr. Chairman, I do not think it is a matter of question after hearing the language of my chairman, but I would call the attention of the members of the committee to the language which appears on page 4 of the committee report, which reads as follows:

> In other words, machines and gambling devices which are not designed and manufactured primarily for use in connection with gambling are not covered by the committee bill.

Mr. Chairman, I am opposed to gambling in any form, and if I had had my way, I would not have left the parimutuels out. However, certainly, in this particular legislation we are trying to stop the interstate commerce and shipment of gambling devices. We are trying here to stop racketeering and syndicated gambling. It must be done for the good of the country. I heartily favor this legislation.

Mr. ROBERTS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HEMPHILL. I yield to the gentleman from Alabama.

Mr. ROBERTS of Alabama. Mr. Chairman, I should like to congratulate the gentleman on his comments. I think this is a good piece of legislation. The gentleman from Alabama feels that the gentleman from South Carolina is a very able lawyer and so I would like to ask him this question. Is this bill primarily directed at the activities of the manufacturer or is there any prohibition in it that would apply to a carrier of these devices in interstate commerce?

Mr. HEMPHILL. There is nothing in the language or in the intent of the legislation, as has been expressed here on the floor and in the report, except that it is designed to control the manufacturer. The carrier is not in the picture. It would be impossible, it would be extreme, to say that the carrier would be responsible for making a determination before taking the shipment.

Mr. ROBERTS of Alabama. I thank the gentleman.

Mr. HEMPHILL. I call the gentleman's attention to the language on page 11 which says that if after the property is shipped into a State, if a person puts it back into interstate commerce knowing it is a gambling device, that is a violation of the law. I think that is proper. We get into the picture because this affects the interstate commerce law. Congress could not get into the picture otherwise.

Mr. O'BRIEN of New York. Mr. Chairman, will the gentleman yield?

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

Mr. O'BRIEN of New York. Is it not a fact that we give the Attorney General a certain amount of discretion here to prevent the racketeers from getting around this law in exactly the same way they got around the Johnson Act, which was too specific and did not give sufficient discretion to the Attorney General?

Mr. HEMPHILL. The distinguished gentleman is eminently correct. We are trying to get at the racketeers who have been able to evade the Johnson Act. I might call attention to the fact that there is another item that I think is important. As I understand it—and I wish to be corrected if there is any mistake on my part—the only time the manufacturer has to register is when it is a gambling device. So this does not put a burden on the people who manufacture amusement devices, because they do not have to register. They do not have to register unless it is a gambling device. If it is a gambling device and they fail to register that is a violation of the law, in addition to the shipment in interstate commerce.

Mr. Chairman, the gentleman from West Virginia [Mr. STAGGERS] has a question he would like to ask at this time and I yield to him for that purpose.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman. I should like to ask the chairman of the committee why this bill is before this House. As I understand, the Attorney General felt that in order to control syndicated or organized crime he must have additional powers and that is the whole purpose of the bill; is that correct?

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

Mr. HEMPHILL. I yield to my distinguished chairman.

Mr. STAGGERS. The only purpose the Attorney General had when he came before the committee was to get legislation to combat syndicated crime in this Nation.

Mr. HARRIS. The Attorney General made it very clear the reason he was requesting this legislation. There were certain types of organized or syndicated crime of which the gambling operations were a part. He needed this legislation, along with the other bills he requested at that time, in order to combat that.

Mr. STAGGERS. The very heart of this bill is on page 7 where it says: "designed and manufactured primarily for use in connection with gambling"; is that correct?

Mr. HEMPHILL. The gentleman is correct. That is pointed out on page 4 and page 6 of the report.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. HEMPHILL] has expired.

Mr. SPRINGER. Mr. Chairman, I yield the gentleman 2 minutes.

Mr. HEMPHILL. I thank the gentleman from Illinois. Again I yield to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. I would like to say also that it is my understanding that there is nothing in this legislation that interferes with State rights in any way. This has to do only with those machines which are designed and manufactured for gambling that go across State lines.

Mr. HEMPHILL. The gentleman is eminently correct. If the machines are already in a State or in a club or organization and are not moved across State lines, this law does not apply.

Mr. STAGGERS. That would leave it up to the local authorities.

Mr. HEMPHILL. It would leave it up to the local authorities. States rights are preserved in every way.

Mr. STAGGERS. The Attorney General is not going to say to people that they cannot, if they want to get together in their homes and perhaps gamble on say a game of bridge, do that or other things like that? They are not trying to get at anything except syndicated, organized crime?

Mr. HEMPHILL. That is correct. I do not think the Attorney General or anybody else involved in politics would interfere with a ladies' bridge game.

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

Mr. HEMPHILL. I yield to the gentleman from Maryland.

Mr. FRIEDEL. The State of Maryland has four counties that have legalized gambling by act of the legislature. They are Anne Arundel, Calvert, St. Mary's, and Charles Counties. They are legalized by State law and local option. Would they be prohibited from shipping these gambling devices interstate?

Mr. HEMPHILL. Under this law nobody can ship a gambling device across State lines, except to a place where proper legislation is enacted.

Mr. FRIEDEL. Whether or not it is a State law that legalizes the gambling?

Mr. HEMPHILL. Whether it is a State act or not, because interstate commerce is under the jurisdiction of the Congress of the United States, and this is interstate commerce.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SPRINGER. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina.

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

Mr. HEMPHILL. I yield to the gentleman from Arkansas.

Mr. HARRIS. Since the gentleman from Maryland has brought up the question of the four counties, I think we might as well get the record straight on it. There has been a great deal of publicity and a lot of discussion about it. Unless the Legislature of the State of Maryland by affirmative action exempts itself from the provisions of the Johnson Act, it would be illegal to transport gambling machines to those four counties. The present so-called local option provision in the State of Maryland in my judgment would not be applicable to this kind of situation.

The bill also provides that section 2 of the act shall not apply to any gambling device used or designed for use at and transported to licensed gambling establishments where betting is legal under applicable State laws. I am not sufficiently familiar with the Maryland laws to state whether this exception would apply to the four counties in Maryland.

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

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

Mr. YOUNGER. Did I correctly understand the gentleman to say that it would be illegal to ship a gambling device in interstate commerce even into a State which has taken affirmative action?

Mr. HEMPHILL. No. The bill specifically says it takes affirmative action. But my answer was that in this bill we say that no person can ship a gambling device across State lines except to a State which has specifically exempted it. I think that is perfectly clear.

Mr. SPRINGER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time has expired.

The Clerk will read the committee substitute to the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

That (a) subparagraph (2) of paragraph (a) of the first section of the Act of January 2, 1951 (64 Stat. 1134; 15 U.S.C. 1171), is amended to read as follows:

"(2) any other machine or mechanical device (including, but not limited to, roulette wheels and similar devices) designed and manufactured primarily for use in connection with gambling, and (A) which when operated may deliver, as the result of the application of an element of chance, any money or property, or (B) by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property; or".

(b) Subparagraph (3) of paragraph (a) of the first section of such Act is amended by inserting immediately before the period at the end thereof the following: ", but which is not attached to any such machine or mechanical device as a constituent part".

SEC. 2. The first section of such Act is further amended by striking out "Alaska, Hawaii" in paragraph (b) thereof and inserting in lieu thereof "the District of Columbia", and adding at the end of such section the following new paragraphs:

"(d) The term 'interstate or foreign commerce' means commerce (1) between any State or possession of the United States and any place outside of such State or possession, or (2) between points in the same State or possession of the United States but through any place outside thereof.

"(e) The term 'intrastate commerce' means commerce wholly within one State or possession of the United States."

SEC. 3. The first paragraph of section 2 of the Act of January 2, 1951, is amended by inserting immediately before the period at the end thereof a comma and the following: "nor shall this section apply to any gambling device used or designed for use at and transported to licensed gambling establishments where betting is legal under applicable State laws".

SEC. 4. Section 3 of the Act of January 2, 1951, is amended to read as follows:

"SEC. 3. (a) (1) It shall be unlawful for any person engaged in the business of manufacturing gambling devices, if the activities of such business in any way affect interstate or foreign commerce, to manufacture any gambling device during any calendar year, unless, after November 30 of the preceding calendar year, and before the date on which such device is manufactured, such person has registered with the Attorney General under this subsection, regardless of whether such device ever enters interstate or foreign commerce.

"(2) It shall be unlawful for any person during any calendar year to engage in the business of repairing, reconditioning, buying, selling, leasing, using, or making available for use by others any gambling device, if in such business he sells, ships, or delivers any such device knowing that it will be introduced into interstate or foreign commerce, unless, after November 30 of the preceding calendar year, and before the date such sale, shipment, or delivery occurs, such person has registered with the Attorney General under this subsection.

"(3) It shall be unlawful for any person during any calendar year to engage in the business of repairing, reconditioning, buying, selling, leasing, using, or making available for use by others any gambling device, if in such business he buys or receives any such device knowing that it has been transported in interstate or foreign commerce, unless, after November 30 of the preceding calendar year and before the date on which he buys or receives such device, such person has registered with the Attorney General under this subsection.

"(4) Each person who registers with the Attorney General pursuant to this subsection shall set forth in such registration (A) his name and each trade name under which he does business, (B) the address of each of his places of business in any State or possession of the United States, (C) the address of a place, in a State or possession of the United States in which such a place of business is located, where he will keep all records required to be kept by him by subsection (c) of this section, and (D) each activity described in paragraph (1), (2), or (3) of this subsection which he intends to engage in during the calendar year with respect to which such registration is made.

"(b) (1) Every manufacturer of a gambling device defined in paragraph (a) (1) or (a) (2) of the first section of this Act shall number seriatim each such gambling device manufactured by him and permanently affix on each such device, so as to be clearly visible, such number, his name, and, if different, any trade name under which he does business, and the date of manufacture of such device.

"(2) Every manufacturer of a gambling device defined in paragraph (a) (3) of the first section of this Act shall, if the size of such device permits it, number seriatim each such gambling device manufactured by him and permanently affix on each such device, so as to be clearly visible, such number, his name, and, if different, any trade name under which he does business, and the date of manufacture of such device.

"(c) (1) Every person required to register under subsection (a) of this section for any calendar year shall, on and after the date of such registration or the first day of such year (whichever last occurs), maintain a record by calendar month for all periods thereafter in such year of—

"(A) each gambling device manufactured, purchased, or otherwise acquired by him,

"(B) each gambling device owned or possessed by him or in his custody, and

"(C) each gambling device sold, delivered, or shipped by him in intrastat, interstate, or foreign commerce.

"(2) Such record shall show—

"(A) in the case of each such gambling device defined in paragraph (a) (1) or (a) (2) of the first section of this Act, the information which is required to be affixed on such gambling device by subsection (b) (1) of this section; and

"(B) in the case of each such gambling device defined in paragraph (a)(3) of the first section of this Act, the information required to be affixed on such gambling device by subsection (b)(2) of this section, or, if such gambling device does not have affixed on it any such information, its catalog listing, description, and, in the case of each such device owned or possessed by him or in his custody, its location.

Such record shall also show (i) in the case of any such gambling device described in paragrap h(1)(A) of this subsection, the name and address of the person from whom such device was purchased or acquired and the name and address of the carrier; and (ii) in the case of any such gambling device described in paragraph (1)(C) of this subsection, the name and address of the buyer and consignee thereof and the name and address of the carrier.

"(d) Each record required to be maintained under this section shall be kept by the person required to make it at the place designated by him pursuant to subsection (a)(4)(C) of this section for a period of at least five years from the last day of the calendar month of the year with respect to which such record is required to be maintained.

"(e)(1) It shall be unlawful (A) for any person during any period in which he is required to be registered under subsection (a) of this section to sell, deliver, or ship in intrastate, interstate, or foreign commerce or own, possess, or have in his custody any gambling device which is not marked and numbered as required by subsection (b) of this section; or (B) for any person to remove, obliterate, or alter any mark or number on any gambling device required to be placed thereon by such subsection (b).

"(2) It shall be unlawful for any person knowingly to make or cause to be made, any false entry in any record required to be kept under this section.

"(f) Agents of the Federal Bureau of Investigation shall, at any place designated pursuant to subsection (a)(4)(C) of this section by any person required to register by subsection (a) of this section, at all reasonable times, have access to and the right to copy any of the records required to be kept by this section, and, in case of refusal by any person registered under such subsection (a) to allow inspection and copying of such records, the United States district court for the district in which such place is located shall have jurisdiction to issue an order compelling production of such records for inspection or copying.

"(g) No person shall be excused from maintaining the records designated herein, producing the same or testifying before any grand jury or court of the United States with respect thereto for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a criminal penalty or forfeiture. But upon asserting the privilege against self-incrimination any individual may be required to open the records required to be kept by this section to inspection or to testify before any grand jury or court of the United States with respect thereto: *Provided,* That no such person shall be criminally prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing disclosed as a result of the inspection of such records or testimony with respect thereto. No witness shall be exempt under this subsection from prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this subsection.

"(h) The Attorney General shall make such regulations as may in his judgment be necessary to carry out the provisions of this Act and the violation of any such regulation shall be punishable as provided in section 6 of this Act."

SEC. 5. The Act of January 2, 1951, is amended by adding at the end thereof the following new section:

"SEC. 9. None of the provisions of this Act shall be construed to apply—

"(1) to any machine or mechanical device designed and manufactured primarily for use at a racetrack in connection with parimutual betting.

"(2) to any machine or mechanical device, such as a coin-operated bowling alley, shuffleboard, marble machine (a so-called pinball machine), or mechanical gun, which is not designed and manufactured primarily for use in connection with gambling, and (A) which when operated does not deliver, as a result of the application of an element of chance, any money or property, or (B) by the operation of which a person may not become entitled to receive, as the result of the application of an element of chance, any money or property, or

"(3) to any so-called claw, crane, or digger machine which is not operated by coin, is actuated by a crank, and is designed and manufactured primarily for use at carnivals or county or State fairs."

SEC. 6. The amendments made by this Act shall take effect on the sixtieth day after the date of its enactment.

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

Mr. Chairman, I certainly want to commend the chairman of the Committee on Interstate and Foreign Commerce on the work he has done and the excellent presentation he has made here today about a very difficult problem and this quite technical legislation to solve this problem.

Mr. Chairman, the pending bill, S. 1658, is one of several bills proposed by the Attorney General to curb organized crime and racketeering in the United States.

In the first session of this Congress, some of the bills recommended by the Attorney General were enacted: Public Law 87–216 prohibits the transmission of bets, wagers, and related information by wire communications facilities. Public Law 87–218 prohibits the interstate transportation of wagering paraphernalia. Public Law 87–228 prohibits travel or transportation in aid of racketeering enterprises.

The pending bill, S. 1658, would prohibit the interstate transportation of certain additional gambling devices in interstate commerce.

The act of January 2, 1951, known as the Johnson Act, already prohibits the interstate transportation of slot machines and certain other coin-operated machines to all States which have not enacted legislation specifically exempting themselves from the provision of this law. Only the State of Nevada has thusly exempted itself.

S. 1658 would extend the prohibition in the Johnson Act to pinball machines and other types of machines and mechanical devices which are used for gambling. Machines which are used for amusement only would have nothing to fear from this legislation.

The bill defines a gambling device as one which first, when operated may deliver, as a result of the application of an element of chance, any money or property; or second, by the operation of which a person may become entitled to receive, as the result of the application of an element of chance, any money or property.

The Attorney General advised the committee that gambling machines have certain well defined characteristics which distinguish them from purely amusement machines. Thus, a gambling machine would record an unusually large number of free plays—up to 999 free plays. They have a mechanism whereby the player can change the odds merely by inserting more money into the machine, or increase the number of plays that can be played by inserting more money. These free games can be played off or they can be eliminated from the machine by pressing a button or lever. The number of accumulated free games eliminated from the machine are recorded by a meter and the player is paid in accordance with the number of games thus eliminated. Machines which are used for amusement only would not need these devices.

In any case, it would be up to the court to decide whether a particular machine is a gambling machine or an amusement machine and the Attorney General would have to prove to the satisfaction of the court that a particular machine to which he objects is a gambling machine.

The Attorney General has told us that these gambling machines are being used as a great source of revenue for organized crime and racketeering. Anything that the Congress can do to hamper organized crime is very much in the public interest. I urge the House to pass this legislation.

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

Mr. Chairman, I take this time because several Members have asked certain questions about States where gambling is legal in some form. I think it should be made abundantly clear and I ask you to turn to page 8 of the bill, section 3. I will read the paragraph in order to emphasize it:

SEC. 3. The first paragraph of section 2 of the Act of January 2, 1951, is amended by inserting immediately before the period at the end thereof a comma and the following: "nor shall this section apply to any gambling device used or designed for use at and transported to licensed gambling establishments where betting is legal under applicable State laws".

Consequently, if a State has laws applicable to a certain type operation making it legal within that State, this bill would not apply. The report on page 12 in its explanation clarifies as clearly as it can be written what is intended.

There is one other thing I would like to call to the attention of the House. In the report on page 21, appendix C, is a letter addressed to the committee from the Attorney General which comments on the revised provisions which the committee submitted to the Attorney General. The Attorney General in this letter takes up section by section the proposal submitted to him and gives a brief explanation of it and the position of the Department of Justice.

You will find other than the one item I mentioned in the course of the debate this afternoon that the Attorney General approved the revision as submitted, as explained in this letter to which I have called the attention of the House. You may have some inquiries about it. If you do, you can turn to this part of the report and very likely get your answer.

The CHAIRMAN. The question is on the committee amendment.

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. LANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1658) to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce, pursuant to House Resolution 698, 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 third reading of the bill.

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

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

The question was taken, and the Speaker announced that the "ayes" appeared to have it.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 349, nays 1, answered "present" 0, not voting 87, as follows:

[Roll No. 137]

YEAS—349

Abbitt	Belcher	Clancy
Abernethy	Bell	Clark
Adair	Bennett, Fla.	Coad
Addabbo	Bennett, Mich.	Cohelan
Albert	Berry	Collier
Alexander	Blatnik	Colmer
Alger	Boggs	Conte
Andersen, Minn.	Boland	Cook
Anderson, Ill.	Bolling	Cooley
Andrews	Bow	Corbett
Arends	Brademas	Cramer
Ashbrook	Bray	Cunningham
Ashley	Breeding	Curtin
Ashmore	Brewster	Curtis, Mo.
Auchincloss	Brooks, Tex.	Daddario
Avery	Broomfield	Dague
Ayres	Brown	Daniels
Baker	Broyhill	Davis, James C.
Baldwin	Bruce	Davis, John W.
Baring	Burke, Mass.	Dawson
Barrett	Burleson	Delaney
Barry	Byrne, Pa.	Dent
Bass, N.H.	Byrnes, Wis.	Denton
Bass, Tenn.	Cahill	Derounian
Bates	Cannon	Derwinski
Battin	Cederberg	Devine
Becker	Chamberlain	Diggs
Beckworth	Chelf	Dingell
Beermann	Chiperfield	Dole
Dominick	Church	Dorn
Donohue	King, Utah	Dowdy
Dooley	Kitchin	Downing
Dorn	Kluczynski	Doyle
Dowdy	Knox	Dulski
Downing	Kornegay	Durno
Doyle	Kunkel	Dwyer
Dulski	Laird	Elliott
Durno	Lane	Ellsworth
Dwyer	Langen	Everett
Elliott	Lankford	Fallon
Ellsworth	Latta	Fenton
Everett	Lennon	Findley
Fallon	Lesinski	Finnegan
Fenton	Lindsay	Flynt
Findley	Lipscomb	Ford
Finnegan	McDonough	Forrester
Flynt	McDowell	Fountain
Ford	McFall	Frelinghuysen
Forrester	McIntire	Friedel
Fountain	McMillan	Fulton
Frelinghuysen	Macdonald	Gallagher
Friedel	MacGregor	Garmatz
Fulton	Mack	Gary
Gallagher	Magnuson	Gathings
Garmatz	Marshall	Gavin
Gary	Martin, Nebr.	Giaimo
Gathings	Mason	Gilbert
Gavin	Mathias	Gonzalez
Giaimo	Matthews	Goodell
Gilbert	Meader	Goodling
Gonzalez	Merrow	Grant
Goodell	Michel	Gray
Goodling	Miller, Clem	Green, Oreg.
Grant	Miller, N.Y.	Griffin
Gray	Milliken	Griffiths
Green, Oreg.	Mills	Gross
Griffin	Minshall	Gubser
Griffiths	Moeller	Hagan, Ga.
Gross	Monagan	Hagen, Calif.
Gubser	Montoya	Haley
Hagan, Ga.	Moore	Hall
Hagen, Calif.	Moorehead, Ohio	Halleck
Haley	Moorhead, Pa.	Hansen
Hall	Morgan	Harding
Halleck	Morris	Hardy
Hansen	Morrison	Harris
Harding	Morse	Harrison, Wyo.
Hardy	Mosher	Harsha
Harris	Moulder	Harvey, Ind.
Harrison, Wyo.	Murphy	Harvey, Mich.
Harsha	Murray	Hébert
Harvey, Ind.	Natcher	Hechler
Harvey, Mich.	Nedzi	Hemphill
Hébert	Nelsen	Henderson
Hechler	Nix	Herlong
Hemphill	Norblad	Hoeven
Henderson	Norrell	Hoffman, Ill.
Herlong	O'Brien, N.Y.	Holifield
Hoeven	O'Hara, Ill.	Holland
Hoffman, Ill.	O'Hara, Mich.	Hosmer
Holifield	O'Konski	Huddleston
Holland	Olsen	Hull
Hosmer	O'Neill	Ichord, Mo.
Huddleston	Osmers	Inouye
Hull	Ostertag	Jarman
Ichord, Mo.	Passman	Jennings
Inouye	Patman	Jensen
Jarman	Pelly	Joelson
Jennings	Perkins	Johansen
Jensen	Peterson	Johnson, Calif.
Joelson	Pfost	Johnson, Md.
Johansen	Philbin	Johnson, Wis.
Johnson, Calif.	Pike	Jonas
Johnson, Md.	Pillion	Jones, Mo.
Johnson, Wis.	Pirnie	Judd
Jonas	Poage	Karsten
Jones, Mo.	Poff	Karth
Judd	Price	Kastenmeier
Karsten	Pucinski	Kee
Karth	Purcell	Keith
Kastenmeier	Quie	Kelly
Kee	Randall	Kilgore
Keith	Ray	King, Calif.
Kelly	Reifel	King, N.Y.
Kilgore	Rhodes, Ariz.	
King, Calif.	Rhodes, Pa.	
King, N.Y.	Riehlman	
Riley	Hays	Rivers, S.C.
Rivers, Alaska	Healey	Rogers, Tex.
Roberts, Ala.	Hiestand	St. Germain
Roberts, Tex.	Hoffman, Mich.	Saund
Robison	Horan	Saylor
Rodino	Jones, Ala.	Schwengel
Rogers, Colo.	Kearns	Scranton
Rogers, Fla.	Keogh	Seely-Brown
Rooney	Kilburn	Slack
Roosevelt	Kirwan	Smith, Va.
Rosenthal	Kowalski	Spence
Rostenkowski	Kyl	Stratton
Roudebush	Landrum	Thompson, La.
Roush	Libonati	Tollefson
Rousselot	Loser	Ullman
Rutherford	McCulloch	Yates
Ryan, Mich.	McSween	Zelenko
Ryan, N.Y.	McVey	
Santangelo	Madden	
Schadeberg	Mahon	
Schenck	Mailliard	
Scherer	Martin, Mass.	
Schneebeli	May	
Schweiker	Miller, George P.	
Scott	Moss	
Selden	Multer	
Shelley	Nygaard	
Sheppard	O'Brien, Ill.	
Shipley	Pilcher	
Short	Powell	
Shriver	Rains	
Sibal	Reece	
Sikes	Reuss	
Siler		
Sisk		
Smith, Calif.		
Smith, Iowa		
Smith, Miss.		
Springer		
Stafford		
Staggers		
Steed		
Stephens		
Stubblefield		
Sullivan		
Taber		
Taylor		
Teague, Calif.		
Teague, Tex.		
Thomas		
Thompson, N.J.		
Thompson, Tex.		
Thomson, Wis.		
Thornberry		
Toll		
Trimble		
Tuck		
Tupper		
Udall, Morris K.		
Utt		
Vanik		
Van Pelt		
Van Zandt		
Vinson		
Waggonner		
Wallhauser		
Walter		
Watts		
Weaver		
Weis		
Westland		
Whalley		
Wharton		
Whitener		
Whitten		
Wickersham		
Widnall		
Williams		
Willis		
Wilson, Calif		
Wilson, Ind.		
Winstead		
Wright		
Young		
Younger		
Zablocki		

NAYS—1

St. George

NOT VOTING—87

Addonizio	Burke, Ky.	Feighan
Alford	Carey	Fino
Anfuso	Casey	Fisher
Aspinall	Celler	Flood
Bailey	Chenoweth	Fogarty
Betts	Corman	Frazier
Blitch	Curtis, Mass.	Garland
Bolton	Davis, Tenn.	Glenn
Bonner	Edmondson	Granahan
Boykin	Evins	Green, Pa.
Bromwell	Farbstein	Halpern
Buckley	Fascell	Harrison, Va.

So the bill was passed.

The Clerk announced the following pairs:

Mr. George P. Miller with Mrs. Bolton.
Mr Alford with Mr. Tollefson.
Mr. Kowalski with Mr. McVey.
Mr. Mahon with Mr. Fino.
Mr. Moss with Mr. Curtis of Massachusetts.
Mr. Corman with Mr. Scranton.
Mr. Bonner with Mr. Horan.
Mr. Kirwan with Mr. Chenoweth.
Mr. Thompson of Louisiana with Mr. Seely-Brown.
Mr. Slack with Mrs. May.
Mr. Rogers of Texas with Mr. Hiestand.
Mr. Frazier with Mr. McCulloch.
Mr. Davis of Tennessee with Mr. Kilburn.
Mr. Flood with Mr. Glenn.
Mr. Feighan with Mr. Betts.
Mr. Loser with Mr. Schwengel.
Mr. Aspinall with Mr. Halpern.
Mr. Bailey with Mr. Bromwell.
Mr. Burke of Kentucky with Mrs. Reece.
Mr. Fogarty with Mr. Martin of Massachusetts.
Mr. St. Germain with Mr. Saylor.
Mrs. Granahan with Mr. Mailliard.
Mr. Green of Pennsylvania with Mr. Kyl.
Mr. Evins with Mr. Garland.
Mr. McSween with Mr. Nygaard.
Mr. Reuss with Mr. Hoffman of Michigan.
Mr. Hays with Mr. Kearns.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. HARRIS. Mr. Speaker, I move that the House insist on the amendment adopted by the House to the bill S. 1658 and request a conference with the Senate.

The motion was agreed to.

The Speaker appointed the following conferees: Messrs. HARRIS, WILLIAMS, STAGGERS, FRIEDEL, BENNETT of Michigan, SPRINGER, and YOUNGER.

ONE HUNDRED YEARS OF PROGRESS UNDER THE MORRILL ACT

Mr. CHAMBERLAIN. Mr. Speaker, I wish to call the attention of the House that Monday, July 2, marks the centennial anniversary of the Morrill Land-Grant Act of 1862.

As I reminded my colleagues on July 17 of last year, educational pioneers in Michigan were closely associated with the formulation and adoption of that momentous act whose history has been so bound up with that of the Sixth Congressional District. Michigan's concern for higher education is as old as the State itself—a fact attested to if one notes that the establishment of the Michigan Agricultural College at East Lansing, the predecessor of today's

Michigan State University, in 1855, occurred at a date midway between the admission of Michigan into the Union and the passage of the Land-Grant Act. And while it is no doubt true as someone has said that "too many people and too many movements were involved to credit the land-grant colleges to one man," it is equally true that the endeavors of several Michigan men were instrumental.

It was largely through the inspiration and perseverence of the man who was to become the first president of the first college of agriculture in America, Joseph R. Williams—and other equally interested people who believed that the study of the science of agriculture deserved a place in the university curriculum—that the convention which wrote Michigan's second constitution specifically requested the State legislature to "as soon as practicable, provide for the establishment of an agricultural school." Faced with the problem of financing, the legislature petitioned Congress for a land grant of 350,000 acres in 1853—the first of a long list of similar petitions which other States were to submit and which were finally to bear fruit when President Lincoln signed the Morrill bill into law on July 2, 1862. Though this initial petition was turned down, the Michigan pioneers were determined to have their college.

President Williams took an active interest in Congressman Morrill's bill and was even here in Washington on the day that it was introduced in 1857. The bill at first experienced difficulty in the Public Lands Committee which recommended it not be passed. However, Michigan Congressman David S. Walbridge offered minority views in which he prophetically termed the bill "one of the most important that has come before this House." Despite the obstacle posed by the committee, both Houses of Congress passed the bill only to have it vetoed by President Buchanan.

Williams is credited with providing much of the information that Morrill used in his speeches in support of the bill. We can perhaps see Williams' hand in this passage from an address given by Congressman Morrill on April 20, 1858, on the floor of the House, in which he decried the lack of institutions for instruction in agricultural studies:

> In our own country the general want of such places of instruction had been so manifest that States, societies, and individuals have attempted to supply it, though necessarily in stinted measure. The plentiful lack of funds retarded their maturity and usefulness, but there are some examples, like that of Michigan, liberally supported by the State, in the full tide of successful experiment.

Thus we see that the Michigan Agricultural College served as a model, which was held up to the Nation, in order to encourage the founding of similar schools in each State so inclined. The final passage and enactment of the Morrill bill hence represented a victory for the Michigan pioneers as much as it did for anyone else; and not merely in terms of the 240,000 acres which Michigan received to establish an endowment, but rather in terms of the reward derived from the successful advocacy and realization of the idea of agricultural institutions of higher learning.

No doubt much of the success of this early Federal aid to education was due to the nature of its decentralized approach which permitted those States which were earnestly interested in establishing such schools to have great freedom in the selection of which public lands it wanted to accept and sell. Each State could thus choose those tracts of public land within the State which were the most valuable. The February 1962, issue of the Michigan State University magazine, which was devoted to the Land-Grant Act centennial, provides a detailed account of how the Michigan land grant was handled:

> In Michigan a land-grant board composed of the Governor and several other State officials studied surveyor's notes and maps, consulted local experts, and employed land agents to search out the best tracts. About 1,400 quarter sections were chosen. Two-thirds were within 10 miles of either the Manistee or Au Sable Rivers, convenient for logging.
>
> The selections were based on soil quality. Dr. Madison Kuhn, the university historian, points out that the Governor's board could have chosen timberlands but it was feared fire might destroy the trees. There was also danger of the trees being cut without permission. "It would cost more to look after and protect timber on such lands than the extra price for which they could be sold," a legislative committee decided.
>
> By 1885 the Morrill grant had accumulated a fund of $300,000, although half of the land was still unsold. Interest on the money amounted to $29,770. Today, some of the lands are in National and States forests. Many acres are still being farmed, and water from a river dammed up for a power station spills over onto some of the original Morrill grants.
>
> There are no monuments on the lands; no bronze plaques tell how much they have contributed to the progress of the Nation. But a uniquely American system of education takes the name of the lands, and stands as proof that even dreams come true when men of vision wisely use the wealth of the Nation for the common good.

Mr. Speaker, the 84th Congress, 7 years ago, passed a resolution commemorating the 100th anniversary of Michigan State College, in which it was described as "the model for the land-grant college system," that stated in part:

> Michigan State College and other land-grant colleges subsequently established have improved the American standard of living, helped bring real economic prosperity to the American people, and played an important role in the evolution and development of the American way of life to its present position of world leadership.

It cannot be incorrect to ascribe much of our Nation's spectacular and unquestioned superiority in agricultural technology to the benefits derived from studies made possible ultimately by the Land-Grant Act. It is a significant and telling fact that the Soviets admit failure in only one field—agriculture—where the inherent weaknesses of the centralized, dictatorial Communist approach have been especially apparent. Even though the Morrill Act can be described as having been revolutionary, it was accomplished through the deliberative legislative action of responsive representative institutions and not by the totalitarian "democratic" methods of plebiscites and propaganda which can never achieve true reform or prudent change.

But it would be wrong if we were to credit the Land-Grant Act with only promoting economic prosperity. It should be remembered that the peculiar value of education is that the effectiveness of efforts to bestow its benefits is never completely susceptible to being exhaustively identified or quantified. Certainly attempts to translate those benefits solely in terms of the expansion of buildings, budgets, and student bodies tend to overlook the more pervasive impact, though less communicable in facts and figures, that education can have toward the enriching of the whole tone of society. Insofar as it can be said that the Morrill Act brought a great democratic reform to higher education in America—that it extended college education to the common people—it may be said to have had the effect of "leveling upward" the character of the American society rather than the opposite effect which is the essential characteristic of the Communist system.

Citizens of Michigan, and residents of the Sixth Congressional District especially, may well take pride in the spirit of pioneering in education that founded our fine State university and that played such an important role in national affairs 100 years ago. The history of the Morrill Act indicates the accomplishments that that spirit fostered in those earlier times; while the reputation and educational facilities developed over the past century indicate the degree to which that same spirit has prevailed in the Michigan State University of today.

Mr. Speaker, at this point in my remarks, I will insert in the RECORD, for the benefit of my colleagues, excerpts from the previously cited issue of the Michigan State University magazine which gives a splendid account of one university's experience with the Land-Grant Act and the continuing influence that prevails to this day:

ONE HUNDRED YEARS OF PROGRESS UNDER THE MORRILL ACT

Although the centennial of the passage of the Land-Grant Act is an important event in the life of Michigan State University, it is but one of many that mark the history of the university.

When President Lincoln signed the act into law in 1862, Michigan Agricultural College was a sturdy youngster of 7 and already had set the pattern used by the framers of the Morrill Act.

In the century that has passed since U.S. Congressman Justin Morrill presented his radically new concept to Congress, the university on the banks of the Red Cedar has experienced phenomenal growth in national prestige, educational stature, and physical facilities.

Probably the clearest indication of this growth is furnished in registration figures. When the Land-Grant Act became a law Michigan Agricultural College had a total of 69 students. This was the high point for the Civil War years. Immediately after war it increased to 108. Winter-term registration, 1962, set an alltime winter-term record of 22,571 students enrolled for credit.

This is far in excess of estimates projected 5 years ago. At that time it was believed 1961–62 registrations would be in the neigh-

borhood of 21,000. The projection for 1965–66 is 27,300 and for 1970–71, 35,000. If actual registrations exceed estimates in the ratio of the past, Michigan State University could be a school with between 40,000 and 50,000 students 8 years hence.

Michigan State University became coeducational in 1870. Enrollment jumped from 79 to 132, presumably as a result of adding women to the rolls. No separate records as to men and women were kept until 1900, when the men outnumbered the coeds more than 4 to 1 (536 to 116). Today the proportion is less than 2 to 1.

Although the women were granted the same privileges as men, no specific course was set up for them until 26 years later when a discipline known as domestic economy and household science was instituted.

This optimistic beginning developed gradually over the years and today is the modern, revised home economics curriculum which, in the words of Dean Thelma Porter, provides a "balanced combination of general education and professional preparation, so that graduates can be specialists and at the same time have broad understanding of modern science and of human values."

Fifteen years later a curriculum was added in mechanical engineering. Although accurate figures are not available, it is presumed that approximately one-half of the 173 students on campus were engineers. Today more than 1,400 are enrolled in engineering courses.

Funds resulting from Morrill Act land sales made the original course possible. Equipment for forges, woodworking shops, molds for pouring castings and other necessary gear was procured and an engineering faculty was engaged. The teachers quickly made names for themselves, and other land-grant colleges, learning of their successes, lured many of them away—a condition not exactly unheard of today.

From this modest beginning 77 years ago has developed the present college of engineering, soon to be housed in a magnificent new building west of Anthony Hall on South Shaw Lane. Its cost is in the neighborhood of $4 million and its floor area is approximately 134,000 square feet. In every respect it is one of the finest engineering plants on any campus in the world.

In agriculture, Michigan State University has probably made its greatest impact on the welfare and economic advancement of Michigan and the Nation in general. When the Land-Grant Act was passed, 85 of every 100 workers of America were engaged in agricultural activities. Thus only 15 percent remained to do the country's work—to produce goods and services needed in a fast-growing economy.

Science, applied to agriculture, has completely reversed these ratios and today, only 12 of our people in every 100 are needed to grow foodstuffs for the country's requirements. The remaining 88 are available to produce the Oldsmobiles, televisions, tractors, clothing, and scores of other items essential in our complex society.

Just how great the contribution of land-grant colleges and universities has been to the Nation's economic growth can only be conjectured, but as Dr. Hannah has said, "certainly they deserve the bulk of the credit in the field of agriculture and a good share in the field of engineering and the associated industrial arts."

Another segment of the university whose expansion has contributed heavily to Michigan State University's academic stature is education, which had humble beginnings in 1908. Today it is one of State's largest colleges, with a winter term registration of 6,265, which includes 3,234 in secondary education.

Familiar to all alumni is its striking new building, complete with kiva. The cost was approximately $4 million. The college provides professional education programs for elementary and secondary teachers, college instructors, and adult educators. Education, as a college, was established in 1952.

When Morrill first envisioned his new educational philosophy for teaching "agriculture and the mechanic arts" he probably had no idea that business and public service would benefit greatly from his idea. Especially at Michigan State University has this latter discipline enjoyed tremendous growth.

It ranked second in registration (science and arts was first) winter term among the colleges. A total of 3,887 students are enrolled in this area. The college is composed of an even dozen departments and bureaus. When it was founded in 1925 total university registration was less than that of B. and P.S. today (2,512).

As Michigan Agricultural College gradually broadened its course offerings the need for a more suitable name became increasingly evident. No longer was it strictly an "ag" school, and concerted effort began developing to change the name.

April 13, 1925, was a lucky day for Michigan Agricultural College for on that date a bill passed the State legislature changing the name to Michigan State College of Agriculture and Applied Science.

Thirty years later another name change took place. After overcoming solid and organized opposition to the idea, university officials were able to change Michigan State College to Michigan State University, a far more accurate designation.

Three small buildings on $10,155 worth of land (677 acres) constituted the university's beginning physical plant. Today it has a total at-cost value of more than $154 million. Land holdings in Michigan total 17,450 acres.

On the campus and in housing areas are 430 buildings, reached on 26 miles of roadway and 46 miles of walkways. Spaces for parking approximately 12,000 automobiles have been set aside.

Yet, despite its vast physical size and huge personnel (more than 1,200 faculty members are in the instructional program alone) Michigan State University never has lost sight of its fundamental objective. This objective is to prepare students for full participation in the society in which they live and, in addition, to be of greatest possible service to all of the people.

What has been accomplished toward reaching this objective appears on the record of the past 100 years. What the future holds for Michigan State University we cannot tell, but we do know that the plant and the personnel are awaiting greater things and, come what may, will be ready for them. Students of the second century will probe the unknown, explore as the pioneer explored and build as their predecessors built in the first.

LAND GRANT PHILOSOPHY TODAY

Two new programs in the university's oldest college mean more business for Michigan farmers and better food for American tables.

As the land-grant pioneer, Michigan State's College of Agriculture gears its programs to the needs of the community it serves. The department of food science, established in 1960, and the agricultural marketing and utilization center, authorized in 1960, reflect the dramatic changes which have revolutionized the food industry in the last century.

Through research new foods have been developed and the consumer has an almost endless variety of choices. As new biological and physical sciences have emerged, their principles have been applied to answer questions relating to food and nutrition.

Dr. Bernard S. Schweigert heads the department of food science where 20 professors and 46 graduate students and research assistants are searching for solutions to the problems of better food quality and processing. The researchers are specialists in the science of processing meats, fruits and vegetables, dairy and poultry products and in food engineering. Two extension specialists in the food science department work primarily with dairy processing companies and meat processors.

Research now underway in the department includes a search for sources of undesirable odors in pork fat; discovering the cause of tenderness in meat; the preparation of high-quality spray-dried cheese and milk solids, and the separation and identification of highly purified milk proteins.

The department is also studying the effects of insect and disease spray treatments on processing quality of cherries; effects of different heating schedules on the canning process; the chemical nature of the red pigments in cherries; composition and stability of food fats; the keeping qualities of cottage cheese, and identifying flavor components of meats, dairy products, and applesauce.

Behind the need of the food industry for application of new scientific knowledge in the solution of its problems is the need for more basic information.

Food scientists at Michigan State University spend much of their time looking for more facts about the chemical, physical, and microbiological aspects of the foods that the industry will be processing. Basic knowledge about the chemical and physical properties of proteins, carbohydrates, and fats may also lead to new industrial uses for these substances.

Much of the research work is done in cooperation with other departments of the university such as animal husbandry, dairy, farm crops, horticulture, and poultry science. The aim is to find the breeding, feeding, and management factors that will improve food quality and result in better products.

Work with the college of home economics and the department of agricultural economics looks for the ways that changes in quality in processing affect the marketing and consumption of food products. Several cooperative programs with the department of agricultural engineering seek more efficient use of modern equipment. Effective food science research also is based on close cooperation with such basic science departments as chemistry, biochemistry, physics, mathematics, microbiology, and public health.

The magnitude and diversity of the university's food-related programs led to the establishment of the agricultural marketing and utilization center. There are 15 departments in the college of agriculture alone, and there are many other departments on campus which have programs connected with agricultural forest products.

In 1960 Dean Thomas K. Cowden of the college of agriculture appointed a nine-member committee to study the problem. The committee recommended that the agricultural marketing and utilization center be established to serve as coordinating agency for food, feed, fiber, and forest research. Dr. Robert Kramer was named director of the center.

The center maintains close relations with business and industry to encourage companies to participate in cooperative research programs. Many Michigan groups have asked the center to help with problems. The Michigan Livestock Exchange, a cooperative livestock marketing agency, asked Michigan State University's help in determining trends and projections of future consumer meat needs. Extension and research workers in agricultural economics, animal husbandry, food science, and the extension marketing field staff worked with the exchange. The study was coordinated by the agricultural marketing and utilization center.

The departments of horticulture, biochemistry, botany, and plant pathology worked

together to discover a way to control fire blight, a disease which attacks pears. Field tests and laboratory experiments were conducted at the request of the Michigan Pear Growers Association.

Research results are sometimes used to predict future consumer reactions to products. A producer-processor committee in Michigan asked Michigan State University to study homemakers' reactions to pink apple sauce. Behind the request was a need to know whether consumers would accept the product before growers invested thousands of dollars and years of time in a particular variety of apple trees. One of the promising varieties of apples produced applesauce that was slightly pink. A homemakers' panel in Detroit is helping provide the answer.

Sometimes the research leads to the development of a new industry. A few years ago poles for pole-type structures on Michigan farms were imported from other States. The departments of agricultural engineering and forest products, with the help of inventories of forest resources compiled by the Michigan Department of Conservation, found Michigan trees suitable for poles. A St. Clair County firm is chemically treating the poles to meet specifications, and the finished product is being sold by farm bureau services.

The work of the department of food science and the agricultural marketing and utilization center are just two aspects of the college of agriculture's program of teaching, research, and extension. Each department could tell a similar story of how the pioneer land-grant institution is rendering service as it lives the land-grant philosophy today.

CONTINUING EDUCATION FOR BUSINESS EXECUTIVES

In an executive development conference file is an evaluation sheet, written by the purchasing executive of one of the Nation's leading railroads, bearing this comment: "Thanks for one of the most thrilling and educational experience of my life. The purchasing seminar was complete, interesting, educational, of high value, and certainly, by far, the most efficiently operated of any I have ever attended."

This comment is typical of the evaluations of the executive development seminars conducted by the Michigan State University's Graduate School of Business Administration and other conference programs sponsored by the college of business and public service.

"Our seminars," said Dr. John H. Hoagland, conference director of the purchasing seminars, "serve many highly influential business groups. During the past 6 years many prominent purchasing executives from across the country and overseas have attended the mind-stretching sessions of the executive seminar in purchasing and materials management."

A similar program for sales and marketing executives, directed by Dr. William J. Crissy, professor of marketing, is now in its fifth year.

Interest in these Michigan State University executive development programs is high, and available places are filled quickly. A sales executive who was forced to cancel at the last minute was replaced by an Alaskan who made a flying trip to East Lansing. Enrollment is limited to enable seminar leaders and participants to engage in an exchange of many ideas.

The seminar leaders, who are professors or business executives, serve as a source of knowledge and act as stimulators and catalysts to induce discussion of business problems. Students assist in the instruction by exchanging knowledge and experiences in the classroom.

Executives who come to the seminars form a challenging student body. Many of them are top men in their fields, and some have had as much as 30 years of business experience. The majority are college graduates and many have master's degrees. Initially, some students, whose companies insisted that they attend, may be a bit skeptical about the value of the seminar; however, such skepticism is invariably dispelled after few a sessions. Developing a seminar program is no hit-or-miss proposition.

Beginning with the philosophy that the seminars must be the best academic presentation of business, but not an ivory tower approach, the business administration staff carefully evaluates the needs of the executives who will attend the sessions. The job, as the professors see it, is not to tell the executive how to run his business, but to present and analyze various ideas of good management, and let each participant apply them to his own situation.

Evaluation sheets filled out by seminar participants from past years play an important role in the planning. The comments are weighed carefully as a program begins to take shape. The Michigan State University professors may represent various academic disciplines besides business administration; likewise, the seminar leaders from business usually are from different types of business organizations. The vice president in charge of purchases for a major steel corporation may speak on managerial concepts and policies one day; a professor of philosophy may discuss ethical problems in decisionmaking the next.

The pace of the seminars is fast. Eight hours of class a day, and homework assignments every night, add up to a 60- to 70-hour week for the student-executives. There are no complaints about the workload because professors and students alike are caught up in an exciting educational experience. Each student soon realizes that the purpose of the seminar is to help him do his job more effectively and efficiently. Students claim it is hard to say just when the schoolday begins and ends. The participants live together at Kellogg Center, and discussions, stimulated by speakers at classroom sessions, continue far into the night.

The business executives return to their offices after a week or two on campus: the majority with new viewpoints and approaches to test out in their companies. Correspondence with Michigan State University faculty members frequently continues long after the end of a seminar.

Through its continuing education programs, the graduate school of business administration is developing close relations with business leaders. Outstanding cooperation in research studies is only one indication of the strong Michigan State University business tie.

Dr. Paul E. Smith, director of master of business administration programs, reports that the school is cooperating with more than 50 different professional and trade associations to help them educate their members. The U.S. Independent Telephone Association and the Association of Equipment Distributors are two of the national organizations which met at Michigan State University last year. Industry interest in the AED seminar was so great that a special issue of Construction Engineering reported the program.

During 1960–61, 91 members of the college of business and public service contributed a total of 1,488 contact hours to the continuing education program. Nearly 6,000 participants registered for 88 conferences and executive programs sponsored by the college. More than 1,000 students enrolled in 40 off-campus courses offered in Michigan cities.

The entire program is based on a recognition of the changing needs of the individual.

"We know that the highly specialized and technically trained man as he progresses finds that the nature of his job has changed," explained Dr. Smith. "For example, the accountant or the engineer is highly trained for a specific job. Because of this ability he is frequently selected for supervisory and management positions. Then the nature of his work changes."

The man who was an expert in handling ledgers and calculating machines finds himself facing new situations, for the management function includes economic, psychological, physiological, and sociological problems. All concern people. To fill the gap between what Dr. Crissy calls "thing knowledge" and "people knowledge," the executive must have further training and different insights. Michigan State University's conferences and seminars offer training to prepare him for further personal development and make him more valuable to his company.

Higher education and business both gain much from the cooperative arrangement; but the citizens of Michigan and of the United States also gain, for a healthy economy is a firm foundation for our way of life.

Helping the people solve their problems is a fundamental idea in the land-grant philosophy. From the very beginning the land-grant colleges and universities extended teaching and research activities beyond the limits of the campus. Professors went out to carry college services to those who could not come to regular sessions.

At first the services related primarily to agriculture. But as the nature of American society changed, the land-grant institutions expanded their services to include other areas. Following the century-old land-grant tradition, professors from Michigan State University's College of Education are helping citizens with questions of national concern—the problems of our public schools.

When a citizen's committee in Delta County decided to bring in a team of campus-based consultants for a complete professionally guided school study, professors from Michigan State were chosen. A survey in Cassopolis had its foundation in a Michigan State University graduate class. All but 3 of more than 50 teachers and administrators in the community were enrolled. The course provided an ideal opportunity for staff identification of curriculum problems. In Sturgis, after two school bond issues failed at the polls, a Citizens Advisory Committee was organized to explore educational needs and report its findings to the community for action. Again, Michigan State consultants helped with the study.

The one thing all the studies have in common is the involvement of local people. Michigan State faculty members do not go in as experts who look over the situation, make recommendations, then leave without following through by helping the people put the plan into operation. Instead, the professors work closely with local men and women who do the actual information gathering and write the final report. The professor guides the work of local committee members, shares his experience with them. One of the chief advantages of this system is that a large number of people are informed about the purposes and procedures of the survey and can, in turn, help explain it to others in the community.

In Delta County, 75 citizens served on four committees which explored finance, educational program, plant and site, and growth and community factors. A study in Lansing was built around six problem areas: the educational community, financing, enrollment and population forecasting, school plant, program planning and curriculum, and personnel.

The school studies are helping school districts find solutions to current problems; but they are also stimulating citizen interest in public schools. By working with local communities as they analyze their resources and

plan for the future, the professors are also helping bring about communitywide awareness that education is everybody's business.

THE INTERNATIONAL DIMENSION

Impact on the international picture of the activities of American Land-Grant schools long has been recognized by our State Department and all Federal agencies interested in oversea operations.

This fact was thrown into sharp focus recently in a letter received by Dr. Hannah from Z. A. Hashmi, DVM, 1947, MS, 1948, of Lahore, West Pakistan. This letter said, in part:

"You will be glad to know that I have been designated as the first vice chancellor of the Agricultural University, West Pakistan, and have been appointed an officer on special duty to arrange for the implementation of the Government decision to establish such a university on the pattern of your land-grant colleges.

"I believe my really significant attainment (at Michigan State University) was a lasting enthusiasm and respect for your system of agricultural education. I have always felt a very deep sense of gratitude to Michigan State and the sincere and good men on its faculty for leading and rousing my interest to a study of your cultural, social, and economic concepts and values."

Dr. Hashmi's letter is clearly indicative of the general impression made on students in all parts of the world. This is true, not only on the East Lansing campus, but in all countries where our internal programs are operating.

We now are engaged in projects at the Sao Paulo School of Business Administration, the University of Rio Grande do Sul, the University of Bahia, the Polytechnical School of the University of Sao Paulo, and at a regional educational research center, all in Brazil, and all in business administration; with the Faculties of Agronomy of the National University of Colombia, at Palmira and Medellin; with the Guinday College of Engineering at Madras and the Poona Engineering College at Poona, in India; at the University of Nigeria, which was opened in October 1960, and has eight Michigan State University representatives on hand; at the University of the Ryukyus; at two academies for village development in Pakistan; at the National Taiwan University (in engineering) and at the Taiwan Provincial College of Agriculture, and at the National Institute of Administration in Vietnam.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill, S. 1658, passed by the House this afternoon.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HEARINGS ON NON-SERVICE-CONNECTED VETERANS' PENSION PROGRAMS

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

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

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, last year the Committee on Veterans' Affairs held extensive hearings on about 166 veterans' pension bills. At the time those hearings closed it was announced that the different veterans' groups, the Veterans' Administration, and the Committee on Veterans' Affairs would make a study of non-service-connected pensions, and that when we had completed that study, we would have further hearings.

At the moment, so far as I know, the Veterans' Administration has completed their study. The Committee on Veterans' Affairs will complete our study within a very short time. There will be further hearings on our non-service-connected pension programs.

A number of Members have called and asked whether or not we would have hearings. There is a communication in the mail today to each Member of the House announcing these hearings. I make this announcement for the benefit of the Members of the House.

CONFERENCE REPORT ON SUPPLEMENTAL AIR CARRIERS

Mr. HARRIS. Mr. Speaker, I call up the conference report on the bill (S. 1969) to amend the Federal Aviation Act of 1958, as amended, to provide for supplemental air carriers, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 1950)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendment of the House to the bill (S. 1969) entitled "An Act to amend the Federal Aviation Act of 1958, as amended, to provide for supplemental air carriers, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301) is amended by redesignating paragraphs (32) and (33) as (34) and (35), respectively, and by inserting immediately after paragraph (31) the following new paragraphs:

"'(32) "Supplemental air carrier" means an air carrier holding a certificate of public convenience and necessity authorizing it to engage in supplemental air transportation.

"'(33) "Supplemental air transportation" means charter trips in air transportation, other than the transportation of mail by aircraft, rendered pursuant to a certificate of public convenience and necessity issued pursuant to section 401(d)(3) of this Act to supplement the scheduled service authorized by certificates of public convenience and necessity issued pursuant to sections 401(d)(1) and (2) of this Act.'

"SEC. 2. Subsection (d) of section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371(d)) is amended by adding at the end thereof the following new paragraph:

"'(3) In the case of an application for a certificate to engage in supplemental air transportation, the Board may issue a certificate, to any applicant not holding a certificate under paragraph (1) or (2) of this subsection, authorizing the whole or any part thereof, and for such periods, as may be required by the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform the transportation covered by the application and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder. Any certificate issued pursuant to this paragraph shall contain such limitations as the Board shall find necessary to assure that the service rendered pursuant thereto will be limited to supplemental air transportation as defined in this Act.'

"SEC. 3. Subsection (e) of section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371(e)) is amended to read as follows:

"'TERMS AND CONDITIONS OF CERTIFICATE

"'(e)(1) Each certificate issued under this section shall specify the terminal points and intermediate points, if any, between which the air carrier is authorized to engage in air transportation and the service to be rendered; and there shall be attached to the exercise of the privileges granted by the certificate, or amendment thereto, such reasonable terms, conditions, and limitations as the public interest may require.

"'(2) A certificate issued under this section to engage in foreign air transportation shall, insofar as the operation is to take place without the United States, designate the terminal and intermediate points only insofar as the Board shall deem practicable, and otherwise shall designate only the general route or routes to be followed. Any air carrier holding a certificate for foreign air transportation shall be authorized to handle and transport mail of countries other than the United States.

"'(3) A certificate issued under this section to engage in supplemental air transportation shall designate the terminal and intermediate points only insofar as the Board shall deem practicable and otherwise shall designate only the geographical area or areas within or between which service may be rendered.

"'(4) No term, condition, or limitation of a certificate shall restrict the right of an air carrier to add to or change schedules, equipment, accommodations, and facilities for performing the authorized transportation and service as the development of the business and the demands of the public shall require; except that the Board may impose such terms, conditions, or limitations in a certificate for supplemental air transportation when required by subsection (d)(3) of this section.

"'(5) No air carrier shall be deemed to have violated any term, condition, or limitation of its certificate by landing or taking off during an emergency at a point not named in its certificate or by operating in an emergency, under regulations which may be prescribed by the Board, between terminal and intermediate points other than those specified in its certificate.

"'(6) Any air carrier, other than a supplemental air carrier, may perform charter trips or any other special service, without regard to the points named in its certificate, or the type of service provided therein, under regulations prescribed by the Board.'

"SEC. 4. Section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371) is amended by adding at the end thereof the following new subsection:

"'ADDITIONAL POWERS AND DUTIES OF BOARD WITH RESPECT TO SUPPLEMENTAL AIR CARRIERS

"'(n)(1) No certificate to engage in supplemental air transportation, and no special

operating authorization described in section 417 of this title, shall be issued or remain in effect unless the applicant for such certificate or the supplemental air carrier, as the case may be, complies with regulations or orders issued by the Board governing the filing and approval of policies of insurance, in the amount prescribed by the Board, conditioned to pay, within the amount of such insurance, amounts for which such applicant or such supplemental air carrier may become liable for bodily injuries to or the death of any person, or for loss of or damage to property of others, resulting from the negligent operation or maintenance of aircraft under such certificate or such special operating authorization.

"'(2) In order to protect travelers and shippers by aircraft operated by supplemental air carriers, the Board may require any supplemental air carrier to file a performance bond or equivalent security arrangement, in such amount and upon such terms as the Board shall prescribe, to be conditioned upon such supplemental air carrier's making appropriate compensation to such travelers and shippers, as prescribed by the Board, for failure on the part of such carrier to perform air transportation services in accordance with agreements therefor.

"'(3) If any service authorized by a certificate to engage in supplemental air transportation is not performed to the minimum extent prescribed by the Board, it may by order, entered after notice and hearing, direct that such certificate shall thereupon cease to be effective to the extent of such service.

"'(4) The requirement that each applicant for a certificate to engage in supplemental air transportation must be found to be fit, willing, and able properly to perform the transportation covered by his application and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board under this Act, shall be a continuing requirement applicable to each supplemental air carrier with respect to the transportation authorized by, and currently furnished or proposed to be furnished under, such carrier's certificate. The Board shall by order, entered after notice and hearing, modify, suspend, or revoke such certificate, in whole or in part, for failure of such carrier (A) to comply with the continuing requirement that such carrier be so fit, willing, and able, or (B) to file such reports as the Board may deem necessary to determine whether such carrier is so fit, willing, and able.

"'(5) In any case in which the Board determines that the failure of a supplemental air carrier to comply with the provisions of paragraph (1), (3), or (4) of this subsection, or regulations or orders of the Board thereunder, requires, in the interest of the rights, welfare, or safety of the public, immediate suspension of such carrier's certificate, the Board shall suspend such certificate, in whole or in part, without notice or hearing, for not more than thirty days. The Board shall immediately enter upon a hearing to determine whether such certificate should be modified, suspended, or revoked and, pending the completion of such hearing, the Board may further suspend such certificate for additional periods aggregating not more than sixty days. If the Board determines that a carrier whose certificate is suspended under this paragraph comes into compliance with the provisions of paragraphs (1), (3), and (4) of this subsection, and regulations and orders of the Board thereunder, the Board may immediately terminate the suspension of such certificate and any pending proceeding commenced under this paragraph, but nothing in this sentence shall preclude the Board from imposing on such carrier a civil penalty for any violation of such provisions, regulations, or orders.

"'(6) The Board shall prescribe such regulations and issue such orders as may be necessary to carry out the provisions of this subsection.'

"SEC. 5. Clause (3) of section 406(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1376(b) (is amended by inserting after 'each such air carrier' the words '(other than a supplemental air carrier)'.

"SEC. 6. Title IV of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section:

"'SPECIAL OPERATING AUTHORIZATIONS

"'*Authority of Board to issue*

"'SEC. 417. (a) If the Board finds upon an investigation conducted on its own initiative or upon request of an air carrier—

"'(1) that the capacity for air transportation being offered by the holder of a certificate of public convenience and necessity between particular points in the United States is, or will be, temporarily insufficient to meet the requirements of the public or the postal service; or

"'(2) that there is a temporary requirement for air transportation between two points, one or both of which is not regularly served by any air carrier; and

"'(3) that any supplemental air carrier can provide the additional service temporarily required in the public interest;

the Board may issue to such supplemental air carrier a special operating authorization to engage in air transportation between such points.

"'*Terms of authorization*

"'(b) A special operating authorization issued under this section—

"'(1) shall contain such limitations or requirements as to frequency of service, size or type of equipment, or otherwise, as will assure that the service so authorized will alleviate the insufficiency which otherwise would exist, without significant diversion of traffic from the holders of certificates for the route;

"'(2) shall be valid for not more than thirty days and may be extended for additional periods aggregating not more than sixty days; and

"'(3) shall not be deemed a license within the meaning of section 9(b) of the Administrative Procedure Act (5 U.S.C. 1008(b)).

"'*Procedure*

"'(c) The Board shall by regulation establish procedures for the expeditious investigation and determination of requests for such special operating authorizations. Such procedures shall include written notice to air carriers certificated to provide service between the points involved, and shall provide for such opportunity to protest the application in writing, and at the Board's discretion to be heard orally in support of such protest, as will not unduly delay issuance of such special operating authorization, taking into account the degree of emergency involved.'

"SEC. 7. (a) If any applicant who makes application under section 401(d)(3) of the Federal Aviation Act of 1958 for a certificate for supplemental air transportation within thirty days after the date of enactment of this Act shall show—

"(1) that it, or its predecessor in interest, was an air carrier authorized to furnish service between places within the United States under a certificate of public convenience and necessity issued by the Civil Aeronautics Board pursuant to order E–13436, adopted January 28, 1959, or order E–14196, adopted July 8, 1959, or that it was given interim authority to operate in interstate air transportation as a supplemental air carrier under Board order E–9744 of November 15, 1955, and has pending before the Board an application for certification as a supplemental air carrier which was filed prior to July 14, 1960;

"(2) that, during the period beginning on the date such certificate was issued or such interim operating authority was conferred by the Board and ending on the date of enactment of this Act, such applicant or his predecessor in interest lawfully performed (A) a substantial portion of the transportation authorized by such certificate or interim operating authority, (B) substantial operations in overseas or foreign air transportation, as a supplemental or large irregular air carrier, authorized by the Board, or (C) substantial operations for the Military Establishment of the United States authorized by the Board;

"(3) that such certificate or interim operating authority had not been revoked or otherwise terminated by the Board or had not otherwise expired prior to the enactment of this Act: *Provided*, That for the purposes of this section such certificate or operating authority shall be considered to have been revoked or terminated if the Board has issued a final order to that effect on or before the date of enactment of this Act, notwithstanding a pending judicial review of such order; and

"(4) that such certificate or interim operating authority is held by the original grantee or has been transferred to the applicant with Board approval pursuant to section 401(h) of the Federal Aviation Act of 1958: *Provided*, That a person who on the date of enactment of this Act had on file with the Board an application for the approval of transfer to him of a certificate for supplemental air transportation or interim operating authority, may be issued a new interim certificate or new interim operating authority under this section if the Board approves the transfer pursuant to section 401(h) of the Federal Aviation Act of 1958;

the Board may issue a new interim certificate or new interim authority to such applicant to engage in supplemental air transportation, as defined in the Federal Aviation Act of 1958, subject to such terms, conditions, and limitations as the Board may prescribe, pending issuance or denial of a certificate pursuant to section 401(d)(3) of the Federal Aviation Act of 1958 if it determines that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of such Act and the rules, regulations, and requirements of the Board and the Administrator.

"(b) If any applicant who makes application under section 401(d)(3) of the Federal Aviation Act of 1958 for a certificate for supplemental air transportation within thirty days after the date of enactment of this Act shall show that it or its predecessor has received interim operating authority from the Civil Aeronautics Board pursuant to paragraph (2) of the first section of Public Law 86–661 of July 14, 1960 (74 Stat. 527), the Board may issue new interim authority to such applicant to engage in supplemental air transportation, as defined in the Federal Aviation Act of 1958, subject to such terms, conditions, and limitations as the Board may prescribe, pending issuance or denial of a certificate pursuant to section 401(d)(3) of the Federal Aviation Act of 1958 if it determines that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of such Act and the rules, regulations, and requirements of the Board and the Administrator.

"(c) If an applicant who makes application under section 401(d)(3) of the Federal Aviation Act of 1958 for a certificate for supplemental air transportation shall show—

"(1) that it, or its predecessor in interest, was a carrier authorized to furnish all-cargo service between places within the United States by a certificate of public convenience and necessity issued by the Civil Aeronautics Board pursuant to order numbered E–3085,

adopted July 29, 1949, order numbered E-9760, adopted November 21, 1955, or order numbered E-10084, adopted March 12, 1956;

"(2) that within thirty days prior to such application there has become final an order of the Civil Aeronautics Board in the domestic cargo-mail service case, docket numbered 10,067 and others, denying applicant's, or its predecessor's, application for renewal of such certificate; and

"(3) that immediately prior to the effective date of such denial the applicant, or its predecessor in interest, lawfully performed either (A) any portion of the service authorized by the certificate or (B) any operations for the Military Establishment of the United States authorized by the Board;

the Board may issue a new interim certificate to such applicant to engage in supplemental air transportation, as defined in the Federal Aviation Act of 1958, subject to such terms, conditions, and limitations as the Board may prescribe, pending issuance or denial of a certificate pursuant to section 401(d)(3) of the Federal Aviation Act of 1958, if it determines that the applicant is fit, willing and able properly to perform such transportation and to conform to the provisions of such Act and the rules, regulations, and requirements of the Board and the Administrator.

"(d) A new interim certificate or new interim authority issued under this section shall not be deemed a license within the meaning of section 9(b) of the Administrative Procedure Act (5 U.S.C. 1008(b)).

"SEC. 8. (a) If any air carrier, or its predecessor in interest, was an air carrier authorized to furnish service between places within the United States by a certificate of public convenience and necessity issued by the Civil Aeronautics Board pursuant to order E-13436, adopted January 28, 1959, or order E-14196, adopted July 8, 1959, or it or its predecessor received interim operating authority from the Board pursuant to paragraph (2) of the first section of Public Law 86-661 of July 14, 1960 (74 Stat. 527), and the operating authority described in this subsection has not been revoked or otherwise terminated by the Board, it may perform operations as described in such certificate or such interim operating authority, subject to the terms, conditions, and limitations applicable to such certificate or such interim operating authority, or both, as the case may be, for thirty days from the date of enactment of this Act, and if it has filed application pursuant to section 401(d)(3) of the Federal Aviation Act of 1958 within said thirty days, may perform such operations, subject to such terms, conditions, and limitations, for a period of ninety days from the date of enactment of this Act. Any air carrier whose application for certification as a supplemental air carrier is pending before the Board and which (A) has operated in interstate air transportation as a supplemental air carrier pursuant to authority granted under Board order E-9744 of November 15, 1955, and (B) had such application for a certificate as a supplemental air carrier pending before the Board on July 14, 1960, and whose operating authority described in this subsection has not been revoked or otherwise terminated by the Board, may continue to operate in interstate air transportation as described in such operating authority, subject to the terms, conditions, and limitations applicable to such operating authority, for thirty days from the date of enactment of this Act, and if it has filed application pursuant to section 401(d)(3) of the Federal Aviation Act of 1958 within said thirty days, may perform such operations, subject to such terms, conditions, and limitations, for a period of ninety days from the date of enactment of this Act.

"(b) The certificates of public convenience and necessity issued by the Board pursuant to order E-13436 adopted January 28, 1959, and order E-14196, adopted July 8, 1959, and the interim operating authority issued by the Board pursuant to paragraph (2) of the first section of Public Law 86-661 of July 14, 1960 (74 Stat. 527), and the exemption authority issued by the Board under order E-9744 of November 15, 1955, and prior authority under individual exemptions or Letters of Registration reinstated by the Board under order E-10161 of April 3, 1956, shall terminate thirty days from the date of enactment of this Act.

"(c) From and after the thirtieth day after the date of enactment of this Act the provisions of section 9(b) of the Administrative Procedure Act (5 U.S.C. 1008(b)) shall not be applicable to any operating authority referred to in this section, or to any application for renewal thereof.

"SEC. 9. The Civil Aeronautics Board may, if it finds such authorization to be in the public interest to permit an orderly transition to an all-charter operation, authorize the holder of any certificate or other operating authority issued by the Board under this Act or under section 401(d)(3) of the Federal Aviation Act of 1958 to perform individually ticketed and individually waybilled services in air transportation during the two-year period beginning on the date of enactment of this Act, subject to such terms, conditions, and limitations as the Board may prescribe, except that the annual gross revenue of such holder from services authorized by this section during each year of such two-year period shall not exceed the average annual gross revenue from individually ticketed and individually waybilled services furnished by such holder, as authorized by the Board, during the period beginning January 1, 1959, and ending December 31, 1961, inclusive, as determined by the Board.

"SEC. 10. The provisions of this Act shall in no way affect the authority of the Board—

"(1) to maintain any enforcement or compliance proceeding or action against the holder of a certificate of public convenience and necessity issued pursuant to Board order E-13436 of January 28, 1959, or Board order E-14196 of July 8, 1959, or against the holder of any interim operating authority conferred by the Board under paragraph (2) of the first section of Public Law 86-661 or under Board order E-9744 of November 15, 1955, which proceeding or action is pending before the Board on the date of enactment of this Act; or

"(2) to institute, on or after the date of enactment of this Act, any enforcement or compliance proceeding or action against the holder of any certificate or interim operating authority referred to in paragraph (1) of this section with respect to any violation of—

"(A) the Federal Aviation Act of 1958,

"(B) the provisions of such certificate,

"(C) the terms of such operating authority, or

"(D) the regulations of the Board,

without regard to when such violation occurred.

Any sanction which the Board lawfully could have imposed on the operating authority of the holder of any certificate or interim operating authority referred to in paragraph (1) of this section for any violation referred to in paragraph (2) of this section, which violation occurred prior to the issuance to such holder of a new interim certificate or new interim authority under section 7 of this Act or the issuance to such holder of a certificate of public convenience and necessity to engage in supplemental air transportation under paragraph (3) of section 401(d) of the Federal Aviation Act of 1958, may be imposed on the certificate or other operating authority issued to such holder under section 7 of this Act or under paragraph (3) of section 401(d) of the Federal Aviation Act of 1958.

"SEC. 11. Any application of an air carrier heretofore consolidated into the Board proceeding known as the Large Irregular Air Carrier Investigation, Docket Numbered 5132 and others, shall be deemed to have been finally disposed of upon the date of enactment of this Act.

"SEC. 12. Section 901(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1471(a)) is amended to read as follows:

"'SAFETY, ECONOMIC, AND POSTAL OFFENSES

"'SEC. 901. (a)(1) Any person who violates (A) any provision of title III, IV, V, VI, VII, or XII of this Act, or any rule, regulation, or order issued thereunder, or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, or (B) any rule or regulation issued by the Postmaster General under this Act, shall be subject to a civil penalty of not to exceed $1,000 for each such violation. If such violation is a continuing one, each day of such violation shall constitute a separate offense: *Provided*, That this subsection shall not apply to members of the Armed Forces of the United States, or those civilian employees of the Department of Defense who are subject to the provisions of the Uniform Code of Military Justice, while engaged in the performance of their official duties; and the appropriate military authorities shall be responsible for taking any necessary disciplinary action with respect thereto and for making to the Administrator or Board, as appropriate, a timely report of any such action taken.

"'(2) Any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, or by the Board in the case of violations of titles IV or VII, or any rule, regulation, or order issued thereunder, or under section 1002(i), or any term, condition, or limitation of any permit or certificate issued under title IV, or by the Postmaster General in the case of regulations issued by him. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.'

"SEC. 13. Section 902(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1472(a)) is amended to read as follows:

"'GENERAL

"'SEC. 902. (a) Any person who knowingly and willfully violates any provisions of this Act (except titles III, V, VI, VII, and XII), or any order, rule, or regulation issued by the Administrator or by the Board under any such provision or any term, condition, or limitation of any certificate or permit issued under title IV, for which no penalty is otherwise provided in this section or in section 904, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject for the first offense to a fine of not more than $500, and for any subsequent offense to a fine of not more than $2,000. If such violation is a continuing one, each day of such violation shall constitute a separate offense.'

"SEC. 14. (a) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading 'Sec. 401. Certificate of public convenience and necessity.' is amended by adding at the end thereof the following:

"'(n) Additional powers and duties of Board with respect to supplemental air carriers.'

"(b) That portion of such table of contents which appears under the heading

'TITLE IV—AIR CARRIER ECONOMIC REGULATION' is amended by adding at the end thereof the following:

" 'Sec. 417. Special operating authorizations.
" '(a) Authority of Board to issue.
" '(b) Terms of authorization.
" '(c) Procedure.'

"(c) That portion of such table of contents which appears under the heading 'Sec. 901. Civil penalties.' is amended by striking out '(a) Safety and postal offenses.' and inserting in lieu thereof '(a) Safety, economic, and postal offenses.' "

And the Senate agree to the same.

OREN HARRIS,
JOHN BELL WILLIAMS,
HARLEY O. STAGGERS,
SAMUEL N. FRIEDEL,
JOHN JARMAN,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
HAROLD R. COLLIER,
SAMUEL L. DEVINE,
Managers on the Part of the House.

WARREN G. MAGNUSON,
A. S. MIKE MONRONEY,
GEORGE A. SMATHERS,
STROM THURMOND,
CLAIR ENGLE,
NORRIS COTTON,
THRUSTON B. MORTON,
HUGH SCOTT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the amendment of the House to the bill (S. 1969) entitled "An act to amend the Federal Aviation Act of 1958, as amended, to provide for supplemental air carriers, and for other purposes," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text. The Senate agreed to the amendment of the House with an amendment which was a substitute for both the text of the House amendment and the Senate bill, and the House disagreed to the Senate amendment.

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for the text of the Senate amendment, the text of the House amendment, and the text of the Senate bill.

The differences between the House amendment to the text of the Senate bill and the substitute agreed to in conference are noted below, except for clerical corrections, incidental changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

Requirements as to insurance, performance bonds, minimum service, and fitness: Sections 3 and 4 of the Senate amendment contained provisions not contained in the House amendment, relating to liability insurance and performance bonds, minimum service requirements, and minimum standards of financial fitness, applicable to supplemental air carriers. These provisions of the Senate amendment are described as follows:

1. The Civil Aeronautics Board was authorized to require supplemental air carriers to carry liability insurance or furnish performance bonds, or both, in the minimum amounts and upon the minimum terms prescribed by the Board, or demonstrate arrangements equivalent thereto.

2. The Board was authorized to prescribe minimum service requirements for supplemental air carriers. If any such carrier failed to perform authorized air transportation services to the minimum extent so prescribed, the Board was authorized to suspend such carrier's certificate to the extent of such service and, after notice and hearing, the Board was further authorized to direct that such certificate cease to be effective to the extent of such service.

3. The Board was authorized to prescribe minimum standards of financial fitness for supplemental air carriers and to require such carriers to submit reports so the Board could ascertain whether such carriers were maintaining continuous compliance with such standards. If any such carrier failed to comply with such standards or to file such reports, the Board was required to suspend such carrier's certificate and, if such carrier did not demonstrate compliance with such standards within a reasonable period of time, the Board could, after notice and hearing, revoke such carrier's certificate.

Section 4 of the substitute agreed to in conference retains provisions relating to insurance and performance bonds, minimum service requirements, and standards of fitness, applicable to supplemental air carriers, with some changes which the committee of conference agreed would impose stricter requirements on supplemental air carriers, particularly with respect to liability insurance, and would make such provisions administratively more workable. Such section 4 of the conference substitute would add a new section 401(n) to the Federal Aviation Act of 1958 containing paragraphs numbered (1) through (6), as follows:

1. Paragraph (1) would make it mandatory for the Civil Aeronautics Board to require each supplemental air carrier, and each applicant for a supplemental certificate, to comply with Board regulations governing the filing and approval of policies of insurance (in the amount prescribed by the Board) conditioned to pay amounts for which such carrier or such applicant may become liable for personal injuries or death, or for property damage or loss, resulting from negligent operation or maintenance of aircraft operated by such carrier or such applicant under authority granted by the Board. The Senate provision permitting the Board to accept "equivalent arrangements" in lieu of policies of liability insurance is omitted from the conference substitute.

2. Paragraph (2) would authorize the Board to require any supplemental air carrier to file a performance bond or equivalent security arrangement (in the amount and upon the terms prescribed by the Board) in order to protect persons utilizing the air transportation services performed by such carrier against the failure of such carrier to perform such services in accordance with agreements therefor.

3. Paragraph (3) would provide that, if any service authorized by a supplemental certificate is not performed to the minimum extent required by the Board, the Board may (after notice and hearing) direct that such certificate shall cease to be effective to the extent of such service.

4. Paragraph (4) would deal with the problem of requiring each supplemental air carrier to maintain continuous compliance with fitness standards, including but not limited to standards of financial fitness, by declaring that the requirement that each applicant for a supplemental certificate must be found by the Board to be fit, willing, and able to perform the transportation covered by his application and to conform to the provisions of the Federal Aviation Act of 1958 and requirements of the Board thereunder, shall be a continuing requirement applicable to each supplemental air carrier, taking into consideration the transportation authorized by such carrier's certificate and the transportation currently furnished or proposed to be furnished under such certificate. The Board would be required to modify, suspend, or revoke such certificate (after notice and hearing) for failure of such carrier to maintain continuous compliance with the requirement that such carrier be so fit, willing, and able, or for failure of such carrier to file reports deemed necessary by the Board to determine whether such carrier is so fit, willing, and able. This provision would make it clear that the Board's standards of fitness applicable to each supplemental air carrier could be revised from time to time, after the supplemental certificate is initially issued, in order to provide standards commensurate with the transportation services performed thereunder.

5. Paragraph (5) would give the Board authority to suspend the certificate of any supplemental air carrier, without notice or hearing (for not more than 30 days), for failure of such carrier to comply with requirements relating to liability insurance, performance of minimum service, or fitness, whenever the Board determines that immediate suspension of such certificate is required in the interest of the rights, welfare, or safety of the public. After exercising such suspension authority, the Board would be required to begin a hearing immediately to determine whether such certificate should be modified, suspended, or revoked. The Board could extend the period of suspension to the extent necessary to complete such hearing, but in no event could the periods of extension aggregate more than 60 days. If the Board should determine that a carrier whose certificate is suspended under this provision comes into compliance with the requirements relating to liability insurance, performance of minimum service, and fitness, the Board could immediately terminate such suspension and any pending proceeding instituted under this provision. It is clearly provided, however, that the Board could impose a civil penalty of not more than $1,000 per day for each day of any violation of those requirements which led to such suspension, notwithstanding the fact that the carrier concerned subsequently came into compliance with such requirements and the Board terminated such suspension.

6. Paragraph (6) would require the Board to prescribe such regulations and issue such orders as may be necessary to carry out the foregoing provisions.

Cargo carriers charter authority: Existing section 401(e) provides that "any air carrier may make charter trips or perform any other other special service, without regard to the points named in its certificate, under regulations prescribed by the Board." All certificated route carriers derive their authority to engage in off-route charter operations by virtue of this section. However, in 1953, the Court of Appeals for the District of Columbia interpreted this provision to mean that it merely lifted the limitation with respect to the points designated in the certificate and did not affect the type of service to be rendered. The Senate amended this provision so as to provide that any air carrier other than a supplemental air carrier, may make charter trips without regard to the type of service provided in its certificate of public convenience and necessity. This amendment was designed to empower the Board to authorize air carriers certificated to carry only cargo to engage in passenger charter operations under regulations prescribed by the Board.

Section 416 of the Federal Aviation Act of 1958 provides in effect that the Board may exempt an air carrier from any of the economic provisions of title IV of the act or any regulation issued thereunder, whenever the enforcement thereof would be an undue burden on the air carrier concerned by reason of the limited extent of, or unusual circumstances affecting, the operation of the carrier, and such enforcement would not be in

the public interest. The Senate committee in its report (No. 664) took strong exception to the Board's excessive use of this exemption power and stated that "the Board's practice of routinely permitting continual large-scale charter operations by exemption is not only unwise, but illegal, because not within the 'unusual circumstances' contemplated by section 416." The committee of conference concurs with this view. The hearing records of both Houses are replete with evidence that the Board has exceeded the proper use of the exemption authority, not only with respect to the granting of charters but in other areas as well. For example, the Board employed the exemption power as a device to circumvent the statutory provisions with respect to air carrier certification when, in 1955, it granted supplemental air carriers authority to engage in air-carrier operations on an interim exemption basis. This order quite properly was set aside by the Court of Appeals, District of Columbia Circuit, July 19, 1956, on the ground that the Board had not made sufficient subsidiary finding to sustain the statutory finding required for exemption that the requirement for certification would be an undue burden on the carriers. A petition for a writ of certiorari was denied by the Supreme Court.

The Board has also employed this exemption power to permit cargo carriers to engage in passenger charter operations. The committee of conference recognizes that these carriers have performed a service for Military Air Transport Service and others and that such authority may be a desirable supplement to their primary role of conducting cargo operations. It is not the intention of the committee of conference to preclude cargo carriers from engaging in passenger charter operations by virtue of its report language directed to section 416. The committee of conference, however, does feel that the Board's exemption power under section 416 should be construed narrowly and employed in only very limited and unusual circumstances. Use of the exemption authority to permit cargo carriers to engage in passenger charter operations does not, in the view of the committee of conference, fall within the purview of the Board's exemption power.

If the Board is disposed to granting cargo carriers authority to engage in passenger charter operations the committee of conference is of the view that it should do so only by virtue of specific statutory authority rather than through a strained interpretation of its exemption powers. Consequently, the committee of conference agrees that section 401(e) should be amended as contemplated by the Senate amendment. In so doing, the committee of conference wishes to state that it does not intend that this amendment be interpreted as a directive that the Board should necessarily grant the cargo carriers either any greater or lesser authority than the Board has, in practice, given them under section 416. The scope of such authority is a matter for the Board to determine. The intention is only to insist that the Board act under specific statutory authority and not under a strained interpretation of a provision not contemplated by Congress. This amendment will permit the Board to authorize cargo carriers to engage in passenger charter operations to the extent that it may find, from time to time, that the public interest so requires. Since any charter operations conducted under section 401(e) can be done only under regulations prescribed by the Board, the Board will have the necessary flexibility to limit frequency of service and to impose such other limitations, conditions, and restrictions as the public interest may require.

Individually ticketed and waybilled services: Under the House amendment, the term "supplemental air transportation" did not include individually ticketed and waybilled services, therefore supplemental air carriers could not have engaged in such services on a permanent basis. Under the Senate amendment, such term did include individually ticketed and waybilled services and therefore such carriers could have engaged in such services on a permanent basis.

The substitute agreed to in conference adopts the provisions of the House amendment with respect to the prohibition of individually ticketed and waybilled services on a permanent basis. However, in order to permit an orderly transition to all-charter operations, section 9 of the conference substitute authorizes the Civil Aeronautics Board to permit any supplemental air carrier holding interim operating authority issued by the Board under this legislation or permanent operating authority issued by the Board under the proposed section 401(d)(3) of the Federal Aviation Act of 1958 to perform individually ticketed and waybilled services temporarily during the 2-year period beginning on the date of enactment of this legislation and subject to such terms, conditions, and limitations as the Board may prescribe. Such section 9 also contains a specific limitation that the annual gross revenue of such carrier from such services shall not exceed the average annual gross revenue from such services furnished by such carrier during the calendar years 1959, 1960, and 1961. At the end of such 2-year period supplemental air transportation would be limited to all-charter operations, except for limited individually ticketed service which may be authorized by the Board on a temporary basis.

Transportation of mail: The House amendment prohibited a supplemental air carrier from transporting mail except pursuant to a special operating authorization issued by the Board for a temporary period, and during this temporary period a supplemental air carrier could transport mail.

Under the Senate amendment a supplemental air carrier could carry mail at any time but in no event could that carrier be eligible for a so-called subsidy payment for transporting mail.

The proposed conference substitute adopts both the prohibition of the House amendment against transporting mail except pursuant to a special operating authorization and the prohibition of the Senate amendment that a supplemental air carrier cannot become eligible for a subsidy payment.

New interim operating authority: Under section 5 of the House amendment, the Civil Aeronautics Board was required to issue new interim operating authority to each applicant who met the eligibility requirements for such authority. Such applicant could then continue to engage in supplemental air transportation to the same extent authorized in the certificate or other authority of such applicant previously issued by the Board, subject to the same terms, conditions, and limitations applicable to such previously issued authority, until the Board granted or denied the application of such applicant for a supplemental certificate authorized to be issued under this legislation.

Under subsections (a) and (b) of section 7 of the Senate amendment, the Board was authorized to issue this new interim operating authority to each applicant who met the eligibility requirements therefor, but only if the Board found the applicant to be fit, willing, and able to perform the transportation services authorized by such authority and to conform to the provisions of the Federal Aviation Act of 1958 and the rules, regulations, and requirements of the Board and the Administrator of the Federal Aviation Agency. The operations performed under such authority was to be subject to such terms, conditions, and limitations as the Board prescribed.

The substitute agreed to in conference adopts the provisions of the Senate amendment regarding the issuance of new interim operating authority with one modification. The conference substitute provides, in effect, that no operations may be performed under any new interim operating authority unless such operations could be authorized by the Board in a supplemental certificate issued pursuant to the new section 401(d)(3) proposed to be added to the Federal Aviation Act of 1958 by section 2 of the conference substitute. The effect of this modification is to limit operations under any new interim operating authority to supplemental air transportation, as defined by this legislation, which includes only charter operations, except to the extent the Civil Aeronautics Board is authorized by this legislation to permit limited individually ticketed operations on a temporary basis.

Subsection (c) of section 7 of the Senate amendment contained a provision not contained in the House amendment under which the Civil Aeronautics Board was authorized to grant new interim operating authority to an applicant who was previously certificated by the Board to furnish all-cargo service between points within the United States, if such carrier applied for such authority within 30 days after the application for renewal of its cargo certificate was denied by the Board. The committee of conference is informed that this provision describes an air carrier which was originally certificated as a supplemental air carrier and subsequently certificated as a cargo carrier. Under Board regulations such carrier could not hold two types of certificates; therefore, the supplemental certificate initially issued was canceled. This provision of the Senate amendment would permit such carrier to apply to the Board, within 30 days after the application for renewal of its cargo certificate is denied, for new interim operating authority to conduct supplemental operations pending the issuance or denial of a supplemental certificate pursuant to the proposed new section 401(d)(3) of the Federal Aviation Act of 1958.

This provision of the Senate amendment is retained in the conference substitute.

Statutory operating authority: Section 6 of the House amendment provided that any air carrier holding certain operating authority previously issued by the Civil Aeronautics Board to engage in supplemental air transportation could continue operations under such previously issued authority for a period of 30 days after the date of enactment of the proposed legislation and, if such carrier applied for a supplemental certificate under the proposed new section 401(d)(3) of the Federal Aviation Act of 1958 within such 30-day period, it could further continue such operations until the Board granted or denied such carrier's application for new interim operating authority.

Section 8 of the Senate amendment contained provisions similar to section 6 of the House amendment, except that any such carrier which applied for a supplemental certificate within 30 days after the date of enactment of the proposed legislation could continue its operations (as described in the operating authority previously issued by the Board) for a period of only 90 days after such date of enactment. The operating authority previously issued by the Board would be terminated 30 days after such date of enactment. If the Board did not grant such carrier's application for new interim operating authority, or for a supplemental certificate, within 90 days after such date of enactment, such carrier could no longer engage in supplemental air transportation.

The substitute agreed to in conference adopts the provisions of the Senate amendment with respect to statutory operating authority, with the addition of language to make it clear that any carrier continuing

operations under this provision would be required to perform such operations subject to the same terms, conditions, and limitations applicable to the operating authority of such carrier previously issued by the Board.

Subsection (c) of section 8 of the Senate amendment provided that, 30 days after the date of enactment of the proposed legislation, section 9(b) of the Administrative Procedure Act would not be applicable to any operating authority referred to in such section 8, so as to preclude any carrier from continuing operations pending Board action on an application for renewal of such operating authority. No corresponding provision was contained in the House amendment.

The substitute agreed to in conference adopts this provision of the Senate amendment.

Subsection (c) of section 6 of the House amendment contained a provision, not contained in the Senate amendment, which provided that any air carrier whose operating authority was continuing solely by virtue of a judicial stay of a Board order terminating such operating authority could continue its operations until the judicial stay of such Board order was lifted or the judicial review of such Board order was completed, whichever first occurred. This provision is no longer necessary because the judicial review proceeding referred to has been completed since the House amendment was adopted on September 18, 1961, and the Board order referred to has terminated such operating authority so that the carriers concerned are no longer operating thereunder.

This provision is omitted from the conference substitute.

Civil penalties: Section 9 of the House amendment amended section 901(a) of the Federal Aviation Act of 1958 so as to enable the Civil Aeronautics Board to impose a civil penalty of not more than $1,000 for each violation of the economic provisions of such act and of the regulations and orders of the Board issued thereunder. Also included in the House amendment was a provision (similar to the provision applicable in the case of criminal penalties) that, if any economic violation was a continuing one, each day of such violation would constitute a separate offense. This section of the House amendment was not limited to violations committed by supplemental air carriers, but included violations by certificated route air carriers or any other person.

Section 11 of the Senate amendment contained provisions identical to those of the House amendment, with an important modification which broadened the provision of the House amendment relating to continuing offenses so as to include not only violations of the economic provisions of the Federal Aviation Act of 1958 administered by the Civil Aeronautics Board, but also violations of the safety provisions of such act administered by the Federal Aviation Agency.

The substitute agreed to in conference adopts the provisions of section 11 of the Senate amendment.

Criminal penalties: Section 10 of the House amendment amended section 902(a) of the Federal Aviation Act of 1958 so as to preserve the criminal penalties contained in such section for knowing and willful violations of the economic provisions of such act.

Section 12 of the Senate amendment contained provisions identical to those of the House amendment, except that language was added by the Senate amendment to make it clear that criminal penalties would not be applicable to violations of regulations issued by the Postmaster General in connection with the transportation of mail, or to violations of laws relating to foreign commerce for which criminal penalties are otherwise provided in section 904 of the Federal Aviation Act of 1958.

The substitute agreed to in conference adopts the provisions of section 12 of the Senate amendment.

OREN HARRIS,
JOHN BELL WILLIAMS,
HARLEY O. STAGGERS,
SAMUEL N. FRIEDEL,
JOHN JARMAN,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
HAROLD R. COLLIER,
SAMUEL L. DEVINE,
Managers on the Part of the House.

Mr. HARRIS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this problem has been one of the most difficult to work out and resolve of any that I have experienced, I believe, since I have been a Member of this Congress. This conference report resolves a very difficult question of legislative policy, one which has confronted the Committee on Interstate and Foreign Commerce and the Congress itself for many years.

The legislation agreed to in conference gives the Civil Aeronautics Board permanent authority to establish and regulate the supplemental airline industry which up to now has existed in a shadow land of uncertainty and doubt. With two exceptions, which will be later explained, supplemental air carriers are limited to charter operations.

The language worked out to give the Board authority to certificate supplemental airlines and regulate their operations in the public interest is involved and technical.

But all of you are interested in one aspect of the situation and that is safety. We have included important amendments to promote safety.

Under this legislation carriers operating in violation of the Board's rules and regulations will be out of business in 90 days. The Board will have power to impose civil penalties for violations immediately.

All operating authority of existing supplementals is terminated 30 days after this legislation is signed into law. Any carrier which files an application with the Board for a supplemental certificate within 30 days can continue to operate for an additional 60 days. After that, if he has not been issued interim operating authority by the Board, he is out of business.

The Board has assured us that all applicants will be carefully screened to eliminate those who cannot meet the Board's tests for fitness. We are assured this will eliminate those not financially stable, those who have openly flouted Board rules, and those who do not meet safety standards.

The legislation gives the Board additional weapons to enforce its rules. When the bill is signed a civil penalty provision becomes effective which will permit the Board to penalize those who violate its regulations. These penalties may be as high as $1,000 for each violation. Working out this legislation has been a long and difficult task, as might be expected in view of the fact that this is a very complicated and involved subject. The legislative remedies needed to end the present chaotic situation are technical and complex. But the members of the committee on conference have been diligent and patient, sitting through several long sessions in which these technicalities were worked out line by line. I want to thank all of those who served with me on the committee for their patience and for the fine spirit in which they worked together on this difficult problem. They worked faithfully and with unanimity in our efforts to uphold the House position and bring back to you the best possible bill.

As is well known, the most difficult problem was that of transportation of individually ticketed passengers. The bill as passed by the House last September 18 sought to limit the supplemental carriers to charter operations, with no individually ticketed or individually waybill authority except in certain limited emergency situations.

Briefly, the supplemental air carrier bill passed by the House proposed to first, authorize the Board to issue certificates to supplemental carriers to conduct charter operations; second, authorize individually ticketed service on a temporary basis for special situations under regulations of the Board; third, permit the Board to expedite procedures in authorizing such temporary service; fourth, grant interim operating authority in the nature of grandfather rights to permit operations until the Board can pass upon applications for new certificates provided for by this legislation; and, fifth, permit the Board to impose civil penalties for violations of law and economic regulations to deter illegal operations.

The Senate version of this legislation differed from the House bill in two major respects, as follows:

First. The Senate bill contained a statutory definition of charter; and,

Second. The Senate bill authorized the Board to permit individually ticketed or waybilled service between designated points on a permanent basis.

The Senate version also had a provision to authorize the Board to grant the cargo carriers authority to operate passenger charter flights.

Following the tragic accident near Richmond last November which took the lives of 74 Army recruits, a close look was taken at safety operations of the supplementals by this committee and the committee in the other body. A special subcommittee of the Committee on Armed Services of which the gentleman from Virginia [Mr. HARDY] was chairman, conducted a thorough investigation of the Richmond tragedy and made a number of constructive recommendations.

At that time, the committee in the other body was considering the House amendments to S. 1969. I might say that the committee of the other body was very cooperative in working with this committee in considering the suggestions made by the Hardy subcommittee and other Members of the House extremely interested in this difficult problem.

Before requesting a conference, the Senate committee held further hearings on the safety problems involved and

adopted certain amendments. This action was necessary to permit consideration of the suggestions in conference. These amendments, with certain technical revisions, were agreed to in conference.

The bill which finally went to conference, therefore, contained several new safety provisions. Briefly, these were:

First, a new provision authorizing the Board to require the supplementals to furnish performance bonds or carry liability insurance, or both. The conference agreement makes insurance mandatory.

Second, authority for the Board to prescribe minimum service and permitting suspension or revocation of a certificate for failure to provide such minimum service.

Third, a new section providing for suspension or revocation of a certificate for failure to file reports or failure to meet minimum standards of financial fitness.

Fourth, a revision of the provisions relating to interim certificates so as to (a) make the issuance of an interim certificate discretionary with the Board; (b) give the Board complete discretion as to the terms, conditions, and limitations of these certificates, rather than requiring the interim certificates contain the same authority which the carriers now have; (c) condition the grant of an interim certificate upon a determination that the applicant is fit, willing, and able to perform supplemental air transportation and to conform to the provisions of the act and the rules, regulations, and requirements of the Board and the Administrator of the Federal Aviation Agency; (d) after 30 days, to terminate the class of supplemental air carriers, which the Board has attempted to create by its previous orders, and to extinguish all existing authority for supplemental air carriers, whether that authority may be derived from an exemption, a certificate, or other order of the Board. That provision wipes the slate clean and permits the Board to start over again with the certification of a new class of supplemental air carriers to be set up by the legislation.

The principal point of disagreement in the conference was over individually ticketed operations. The House bill authorized the Board to certificate the supplementals to conduct charter operations.

Both bills contained provisions to authorize the Board to permit the supplementals to provide individually ticketed service on a temporary basis in situations where additional air transportation is needed, such as for heavy travel demands at vacation times, for fairs, to vacation resorts where transportation facilities are inadequate, and so on. This provision, of course, is retained in the bill agreed to in conference.

The bill agreed to in conference adopts the House provisions prohibiting individually ticketed and individually waybilled services on a permanent basis. However, in order to permit an orderly transition to an all-charter operation, a new section was adopted authorizing the Board to permit individually ticketed and individually waybilled operations for a period of 2 years, to be limited to the average annual revenues from these sources for the 3-year period ending December 31, 1961. A carrier which had not conducted such operations would not be eligible, of course.

The provision is explained in more detail in the statement of managers.

In my judgment, we have here a bill which is fair and one that I believe should be adopted by this House and by the Congress.

This will give the Board authority to end the chaotic conditions that have existed in this field of air transportation.

Like a great many pieces of legislation that we consider in this House, this does not please everybody; it does not please me in toto. But in my judgment it does solve some very grave problems.

The Committee on Interstate and Foreign Commerce has given long and careful consideration to this problem. The Subcommittee on Transportation and Aeronautics held extensive hearings and gave extensive consideration to this problem in this and in the preceding Congress. The subcommittee, in fact, has lived with this problem over the last several years.

A great many factors are involved in working this legislation out in the public interest. The supplementals conduct substantial operations for the Department of Defense, which says that the industry is needed.

At this time I would like to yield to the gentleman from Mississippi [Mr. WILLIAMS], chairman of the subcommittee in order that he might explain some of the background of the provisions included in this conference report; and I would like to compliment the gentleman from Mississippi and his subcommittee for the excellent job they have done and for the fine job also that was done in conference on this highly important and controversial matter.

I now yield 10 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, the House passed this legislation last September 18. It will be recalled that we struck out all after the enacting clause of a bill which the other body had passed August 28 and substituted the text of our bill, which differed greatly from the bill passed by the other body.

We did not, however, have time to get the bill to conference before the adjournment of the first session of this Congress. In fact, we did not get the bill to conference until March.

In the interim there was a very tragic accident near Richmond when 74 servicemen lost their lives in the crash of a plane operated by a supplemental, or nonsked airline. That accident resulted in an investigation by a subcommittee of the Armed Services Committee of which the gentleman from Virginia [Mr. HARDY] was chairman, when a careful study of supplemental safety operations was made. Following that investigation several amendments were suggested by Members of Congress to tighten up the safety requirements in the House bill. Some of these amendments were suggested by the gentleman from Pennsylvania [Mr. WALTER]. However, since the bill was then pending in the other body, we were unable to take action on the proposed amendment. We did, however, consult with members of the committee in the other body. Subsequently the bill was referred to the Senate committee, which held hearings and wrote a number of safety amendments into the bill. These amendments included, in principle, several of the suggestions made by the gentleman from Pennsylvania. The Senate then acted and requested a conference.

We have had some seven or eight extremely long sessions in conference, seeking to resolve the differences in the respective versions of the bill. May I say that members of this conference put in many hours of hard work in working out the legislation we bring you today.

We believe we bring to you a bill which is workable, which is fair, and which will protect the interest of the flying public.

To cover the high spots of the bill the Senate receded in its definition of "charter." The House did not have a specific definition of "charter" but left that up to the Civil Aeronautics Board to define. It is presumed they will use the same definition they have been using throughout the years.

The House had in its bill the authority for individually ticketed operations under a temporary route certificate setup. The Senate had this, plus authority for the Board to permit individually ticketed operations under Board regulations. It was there that we found the most serious bone of contention.

Under the House bill supplemental air transportation did not include individually ticketed and waybilled services.

The substitute agreed to in conference adopts the provisions of the House bill with respect to individually ticketed and individually waybilled services on a permanent basis. However, to permit an orderly transition to all-charter operations, the Board is authorized to permit any supplemental air carrier holding interim or permanent operating authority under this legislation to perform individually ticketed and waybilled services temporarily during the 2-year period beginning with the date of enactment of this legislation, under regulations of the Board. The annual gross revenue of any such carrier from such services shall not exceed the average of the annual gross revenue from such services furnished by the carrier during the calendar years 1959 through 1961. At the end of this 2-year period supplemental air transportation is limited to all-charter operations, except for limited individually ticketed service which may be authorized by the Board to meet emergency situations.

Thirty days after enactment of this legislation all operating authority of the supplemental carriers ceases to exist. They will have 30 days in which to apply for a new certificate. They will continue to operate during these 30 days, then carriers which have filed applications may operate for an additional 60 days. During that period the Board may issue an interim operating certificate to carriers which meet Board requirements.

These carriers will be able to operate under an interim operating certificate until the Board has passed judgment upon their application for a permanent certificate. We have placed some requirements in this bill which were not in either bill initially but which were placed in the bill by the Senate when the bill went back over there, requiring that these supplemental carriers carry insurance, gives the Civil Aeronautics Board authority to require performance bonds, and imposes certain fitness requirements. These are explained in detail in the statement of managers just read.

The Senate added another amendment affecting all cargo carriers within the category of supplemental carriers.

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

Mr. WILLIAMS. I yield to the gentleman from Arkansas.

Mr. HARRIS. I heard the gentleman's statement about cargo carriers. I think it might be advisable to point out that the Senate, by an amendment that was adopted, authorized the air cargo carriers to perform charter trips or any other special service under regulations prescribed by the Board.

That became one of the hard nuts to crack, as the gentleman well knows, in the conference. It was one of about three or four issues that we could not get an agreement on, and the gentleman recalls that it was included in a package settlement on the individually ticketing authority and definition of charter.

Actually what we did was to agree with the Senate to leave their language in the bill. I refer to paragraph 6, under (e) section 3, which reads: "Any air carrier, other than a supplemental air carrier, may perform charter trips or any other special service, without regard to the points named in its certificate, or the type of service provided therein, under regulations prescribed by the Board."

So, by that action we took the Senate version with reference to air cargo carriers, but in the statement of managers we made the position of the committee on conference regarding the Board's responsibility abundantly clear.

I think at this point we ought to have that explanation in the RECORD.

Mr. WILLIAMS. I thank my chairman for that explanation.

Mr. Speaker, if the supplemental air carrier service is to be an integral part of our transportation system, then this legislation is going to be necessary. It is going to be necessary in the public interest, and it is going to be necessary in order to insure that the services of these carriers will in truth and in fact be supplemental to regularly scheduled service.

Mr. Speaker, I hope that this conference report is accepted.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

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

Mr. VAN ZANDT. The gentleman knows of my interest in the Imperial Airline crash in Richmond last fall.

Mr. WILLIAMS. That is true.

Mr. VAN ZANDT. I want to commend the committee for the time they put in working out this conference report and would like to ask this question: If this conference report is written into law, can the user of these nonschedules expect greater governmental protection against accidents like the one which happened last fall?

Mr. WILLIAMS. Of course, there is no way to prevent bad air accidents, as the gentleman knows. The Imperial air crash the gentleman referred to is the accident that occurred at Richmond, I believe.

Mr. VAN ZANDT. Richmond, Va.

Mr. WILLIAMS. In which a large number of recruits were killed. Imperial was operating under contract with the Department of Defense.

However, may I say that perhaps a better case in point would be the Arctic-Pacific accident in which a football team from California was killed. As I understand, no insurance and no indemnities have been paid for the loss of those lives, because Arctic-Pacific was not financially responsible.

Under this bill it would be mandatory that they carry the minimum amount of insurance that is required by the Civil Aeronautics Board regulations, and that they meet the minimum standards of fitness.

Mr. VAN ZANDT. In other words, we have to lay aside the possibility of man and mechanical failure?

Mr. WILLIAMS. Yes.

Mr. VAN ZANDT. We cannot legislate so as to eliminate man failure, but from an accident standpoint where they must meet requirements, then the gentleman thinks, if this bill is written into law, the traveling public using these nonscheduled airlines, including the military, will have greater protection?

Mr. WILLIAMS. They will certainly have much more protection as a result of the safety provisions written into this bill than they have at present.

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

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

Mr. WALTER. First, I want to commend the gentleman and his colleagues on the conference on the fine work which they did in maintaining the basic position of the House. I am glad that the future role of the supplementals will be confined to the charter field. However, I have a question about the charter definition.

As I recall the Senate bill, it included language that would have changed the longstanding concept of the meaning of "charter" in the airline field.

Mr. WILLIAMS. That is quite true.

Mr. WALTER. It proposed that all-expense travel agents could charter airplanes in their own name and then sell space to the public for all-expense tours. This would have changed completely the function of the travel agent and put him in position to engage in rate cutting.

Can the gentleman tell us what happened to that provision?

Mr. WILLIAMS. The Senate receded and accepted the position of the House on that provision. So, there is no statutory definition of "charter" in the bill. That definition will be the one which is presently in effect under a regulation of the Civil Aeronautics Board. The all-expense tours that were provided for in the Senate definition were not accepted by the House, and the Senate receded and concurred in our position on that, also.

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

The SPEAKER pro tempore. The time of the gentleman from Mississippi has again expired.

Mr. HARRIS. Mr. Speaker, I yield the gentleman an additional 3 minutes.

Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. Yes, I yield to the gentleman from Arkansas.

Mr. HARRIS. The gentleman is correct. The Senate proposed to change the well established meaning of "charter." The House objected to changing it. Therefore, the bill reported by the conferees contains no definition of charter because the Senate receded. The language the gentleman was concerned about is not in the bill.

A charter in the aviation field has always meant the engagement of the entire capacity of the aircraft for a particular purpose by a single engaging party. Travel agents, being agents for transportation services, rather than carriers themselves, have never been allowed to engage airplanes in their own name for their own account. Nor should they be allowed to. That is why the House objected to the proposal of the Senate including the "all-expense tour" language. As explained in the House report, we felt the Board should be in a position to deal effectively with any efforts to abuse the meaning of charter.

If I may I would like to read a statement I have prepared on this point:

The bill, as reported by the conference committee, contains no definition of charter. The law is well established that, in air transportation, charter means essentially the lease of the entire capacity of an aircraft for a period of time or a particular trip, for the transportation of cargo or persons and baggage, on a basis which does not include solicitation of the general public, or any device where individually ticketed services would be offered or performed under guise of charter. The basic concept being thus clear, it is important that the Civil Aeronautics Board, by regulation and other appropriate measures, make sure that charter serves its planeload service concept and is not employed as a subterfuge to perform individually ticketed services. Manifestly, the nature of such subterfuge may change from time to time, and the regulatory agency needs some flexibility to modify its regulations to guard against any new subterfuges that may emerge. For this reason, the House committee objected to any attempt to freeze into the act a definition of charter service which would prevent the Board from dealing effectively with abuses. Thus the bill, as passed by the House, contained no definition of charter.

The Senate bill, on the other hand, contained a definition of charter service. This was necessary, in large part, because the Senate proposed to modify the established concept of charter in order to permit carriage, as charter, of "a group on an all-expense paid tour." The Senate conferees having receded from insistence on the all-expense-paid tour exception, it followed that the remainder of the Senate definition was superfluous since it merely stated established law and policy.

Mr. WALTER. I thank the gentleman for his assurances that there has been no change in the meaning of a charter. This is a very important point. Certainly, all the efforts to bring to an end the many problems in the supplemental airlines which stemmed from their individually ticketed authority would be of no avail if they were allowed to engage in split-charters, all-expense tours or other devices for destroying the meaning of charter and engaging in a type of individually ticketed authority, under some guise or other. I am glad the position of the Congress on this is crystal-clear.

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

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

Mr. ROUSSELOT. First, Mr. Speaker, I would like to thank the members of the conference committee on the part of the House for standing very firm for the position which the House took, especially as it relates to ticketing. As the gentleman knows, those of us from California were very concerned when the entire football team crashed in Ohio on their return from a football game on one of these supplemental air carriers that had neglected very badly its maintenance and other activities.

Can the gentleman tell me under this bill that is before us now what provisions are made to make sure that these dormant certificates that many times sit idle for months and then a company comes back under a new name and picks them up again and some of these supplemental air carriers renew them under another name, is there provision that all of these companies must now come back in and get a recertification?

Mr. WILLIAMS. Yes. First, let me say to the gentleman that all operating authority, or such operating authority as they have under the present law, expires 30 days after this legislation is signed into law by the President.

However, they do have 30 days in which to make an application for a supplemental certificate. Carriers which file may operate an additional 60 days. After that, a carrier which has not been issued interim operating authority pending the consideration of a certificate is out of business. In addition to that, the Civil Aeronautics Board has the authority under this legislation to require performance bonds. It has the authority to cancel this operating authority or the certificate of the airline if in its opinion the airline is not carrying out the purposes for which its certificate was issued.

Mr. ROUSSELOT. A lot of the corporations have operated on a very nebulous basis. Do I understand then that these ticketing provisions will be phased out, in effect, in 2 years?

Mr. WILLIAMS. That is what the bill says, as explained in the statement of the managers on the part of the House.

Mr. ROUSSELOT. It is the intention of the committee as it stands today that they will no longer have these ticketing provisions after 2 years?

Mr. WILLIAMS. Obviously we cannot determine what future Congresses may do. Future Congresses may restore it. However, as the bill stands the individual ticketing authority dies 2 years after the enactment of this bill, except for the special, temporary operation authority which the Board may authorize.

Mr. ROUSSELOT. They can only maintain their present level of ticketing.

Mr. WILLIAMS. For the next 2 years they will have the average for 1959, 1960, and 1961; but beyond that all of it expires. The only individually ticketed service they will be able to render will be under a temporary authorization which may be issued by the Civil Aeronautics Board in what might be generally considered emergency conditions.

Mr. ROUSSELOT. Is there any specified amount of insurance that must be carried?

Mr. WILLIAMS. The Civil Aeronautics Board is given authority to make the determination as to the minimum amount which should be carried.

Mr. ROUSSELOT. Have they given any indication what that will be?

Mr. WILLIAMS. No, but I have enough confidence in the Board to believe they will set it sufficiently high to protect the traveling public.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, I know that there is some confusion in the minds of Members as to what constitutes supplemental carriers. I think we have probably three or four principal parts of civil aviation that most of the Members are familiar with. First we have the oversea operations, principally Pan-Am and TWA. You have your trunk lines like American and TWA, United, Braniff, Delta, and others.

Third, you have your feeder lines, made up of Ozark in my particular area; and there are about 17 others. Then you have what are called supplemental air carriers. These were created and were made legal under the law. These carriers are principally in the charter business and were designated for that reason. In recent years they have been doing ticketing under certain emergency conditions permitted by the Civil Aeronautics Board.

There has been a great deal of objection and the problem has arisen in the ticketing field. I do not know how many of those now ticketing are going to survive when the Federal Aviation Agency and the CAB get this authority which we have given them in this bill to wind up all of those who are not competent, who are not safe and who are not qualified to do business. But I imagine that it will be a substantial reduction in the number that presently are flying.

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

Mr. SPRINGER. I yield to the gentleman from Kansas.

Mr. AVERY. Did I understand the gentleman from Mississippi to explain the report in this way, that all present certifications would expire 30 days after this bill becomes law?

Mr. SPRINGER. That is correct.

Mr. AVERY. It is the assumption of the committee, then, that the CAB would look with considerable caution on the recertification of these various supplemental carriers?

Mr. SPRINGER. I would be of the opinion that they would, after the committee hearings and what has happened in conference. We have been in conference for 2 months. There were times when we thought we could not reach an agreement. This has been an extremely difficult matter to settle in conference. I am sure the CAB and FAA are cognizant of all the problems we face, and I hope they are going to use caution in going ahead with this.

There was a great deal of difference in the conference between what the House wanted and what the Senate wanted. I can assure the House that the Senate yielded on all points. We did take the Engle amendment, but I think when we got through with it it was more of a House amendment than a Senate amendment.

We have continued ticketing for 2 years. May I say to the gentleman from California that there was an attempt to take certain words out of the amendment, which said that there would be an orderly phasing out of ticketing in the supplemental field. I insisted those words remain in the amendment. They are in the amendment in this legislation today. It is my feeling that at the end of 2 years this ought to come to an end.

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

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

Mr. ROUSSELOT. I wish to compliment the conferees for their firm position, because it was the ticketing provisions of many of the carriers who were misusing the ticketing operations that caused this trouble. Then it turned out that many of these planes were crashing or getting into accidents that were unnecessary because they were not operating under the safety conditions normally expected of passenger-carrying aircraft. I compliment the gentleman for his insistence that the 2-year phasing out be emphasized in the bill. I think it is necessary for the CAB and the FAA, who I feel were not doing their full job, to look very carefully at what this House has passed.

Mr. SPRINGER. May I say in reply to the gentleman that this was not altogether the fault of the CAB and FAA. I can explain to him why it was not. In many instances the CAB actually did end their certification but the carriers took an appeal to the courts, and they have been in the courts for years. There was nothing the CAB could do about it while they were in the courts. They were legally flying. The courts kept them flying. There was nothing the CAB could do about those that were in the courts, which was a considerable number. Some of them proved to be nonassets. That is the kindest thing that could be said about them. I feel sure that when the CAB gets through with this we will have only those who ought to be certificated and we will have the people who are not qualified out of this field.

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

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

Mr. DEVINE. For the purpose of the record, will the gentleman agree that it was discussed thoroughly in the conference and that the intention of the conferees was that the ticketing feature was to conclude and terminate finally at the end of 2 years?

Mr. SPRINGER. I am sure that was the understanding. I listened to every word that was said there. It is true at the end of 2 years we would not have that strictly binding on future Congresses. But I am sure that it was our understanding that 2 years would end the ticketing privilege.

Mr. DEVINE. And as the gentleman from Mississippi indicated, we, of course, cannot bind future Congresses. However, we did wish to spell out our intention because we can anticipate, perhaps, some supplemental will come back in the next Congress and say—let us extend this another 2 or 4 or 6 years. We wanted it made clear and so stated in the report that 2 years would end the whole individually ticketed authority.

Mr. SPRINGER. The gentleman has stated the matter correctly.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. COLLIER].

EXTENSION OF REMARKS

Mr. COLLIER. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. CHAMBERLAIN] be permitted to extend his remarks in the body of the RECORD following the vote on the bill on which there was a rollcall vote today, prior to the remarks of the chairman of this committee.

The SPEAKER pro tempore (Mr. BOGGS). Without objection, it is so ordered.

There was no objection.

Mr. COLLIER. Mr. Speaker, the bill, as reported by the conference committee, contains no definition of charter. The law is well established that, in air transportation, charter means essentially the lease of the entire capacity of an aircraft for a period of time or a particular trip, for the transportation of cargo or persons and baggage, on a basis which does not include solicitation of the general public, or any device where individually ticketed services would be offered or performed under guise of charter. The basic concept being thus clear, it is important that the Civil Aeronautics Board, by regulation and other appropriate measures, make sure that charter serves its planeload service concept and is not employed as a subterfuge to perform individually ticketed services.

Manifestly, the nature of such subterfuge may change from time to time, and the regulatory agency needs some flexibility to modify its regulations to guard against any new subterfuges that may emerge. For this reason, the House committee objected to any attempt to freeze into the act a definition of charter service which would prevent the Board from dealing effectively with abuses. Thus, the bill, as passed by the House, contained no definition of charter.

The Senate bill, on the other hand, contained a definition of charter service. This was necessary, in large part, because the Senate proposed to modify the established concept of charter in order to permit carriage, as charter, of "a group on an all-expense-paid tour." The Senate conferees having receded from insistence on the all-expense-paid tour exception, it followed that the remainder of the Senate definition was superfluous since it merely stated established law and policy.

Mr. HARRIS. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Speaker, I rise primarily to compliment and congratulate the chairman of the subcommittee, the gentleman from Mississippi [Mr. WILLIAMS], who has been working on this proposition for the last 2 years in dealing with the supplemental carrier problem. I think this is the fruition of that work through the years.

I would like to compliment the chairman of our committee for his presentation to the conferees and his part in helping to bring about a solution; in fact, I would like to compliment every member of that subcommittee for the work they have done: The gentleman from Maryland [Mr. FRIEDEL], the gentleman from Oklahoma [Mr. JARMAN], the gentleman from Illinois [Mr. SPRINGER], the gentleman from Illinois [Mr. COLLIER], and the gentleman from Ohio [Mr. DEVINE].

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield at that point?

Mr. STAGGERS. I yield.

Mr. WILLIAMS. The gentleman singled me out in the beginning. I wanted to tell him that I am very happy he did mention the other members of the committee, because this has been the work of no one individual; it has been the work of the entire subcommittee, and the gentleman from West Virginia [Mr. STAGGERS] has been one of the most active in helping bring this matter to a satisfactory conclusion.

Mr. STAGGERS. I thank the gentleman from Mississippi. Of course, I worked with him 2 years ago. We had what we thought was a temporary solution to this problem. I would say that all the members of this committee had certainly the patience of Job and worked indefatigably to reach a satisfactory solution. I believe it is satisfactory; I believe it will bring an end to some of the things that worried the House.

In determining the role of the new class of carriers which will be established under this legislation, the Senate and House took fundamentally different approaches to the problem. The Senate bill provided that not only could the CAB certificate a new class of carriers, supplemental air carriers, to engage in charter operations, but it also would have permitted the Board to put such carriers into the individually ticketed business. From the outset, the House has been convinced that the proper role for the supplemental air carriers is in the charter field. The history of the operations of the supplemental air carriers has conclusively shown that their individually ticketed operations have been a breeding ground for illegal operations and law evasion which has extended, in some cases, to a disregard for safety regulations in the operation and maintenance of aircraft, in addition to violation of economic regulations.

Moreover, the House is convinced that it is not possible to regulate adequately limitations on individually ticketed services. The CAB has expended great amounts of time and money seeking to administer a limited individually ticketed operation in the past, without success. The House is also convinced that the existing volume of charter business is adequate to support the supplemental air carrier industry and that the potential in this field is very promising, provided that the CAB adopts a realistic approach as to the number of carriers required by the public convenience and necessity.

Therefore, as one of the House conferees I reluctantly accepted section 9, which would permit the CAB to authorize interim individually ticketed operations for a period not to exceed 2 years. I do so only with the understanding that any authority granted under this provision is terminal in nature and will be granted to an individual carrier only if and to the extent it is clearly found by the CAB to be necessary to phase out existing individually ticketed operations without undue economic harm. The sole purpose is to achieve an orderly transition from existing operations to a charter operation. It is for this reason that the House has insisted that only those carriers which the Board may find are qualified to stay in business and have relied on individually ticketed operations as a source of revenue during the past 3 years may be granted individually ticketed authority during a period which shall not exceed 2 years from the enactment of this legislation, and in an amount which shall not exceed, on an annual basis, the average amount of individually ticketed or individually waybilled operations which they may have performed lawfully during an average of the last 3 years—during the calendar years 1959 through 1961.

Mr. HARRIS. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. JARMAN], a member of the committee of conference.

Mr. JARMAN. Mr. Speaker, I believe we have a good bill, the best result that we could hope for from the conference with the Senate.

As has been emphasized here this afternoon, I believe the result of the conference stays very close to the bill that was originally passed by the House. It will achieve a great deal in the field of supplemental air carrier operations. I sincerely hope that the conference report will be adopted by the House.

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

Mr. HARRIS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, as stated at the outset, I believe the conferees have done a very good job. I would like to state again that it was a very difficult problem; there were many facets to it, and the fact that we have a unanimous conference report on this proposal seems to me to emphasize the importance of the agreement we

have reached insofar as the air transportation industry is concerned, as far as the intent of Congress is concerned, and so far as giving the Civil Aeronautics Board the legislation it needs is concerned in carrying out the policies which are included in this conference report. We did work long and hard to get a united agreement; we have accomplished that. The safety provisions are highly important. The Board gets ample authority now to deal with these carriers, which they have not had over the last several years. Therefore, I think the conferees have upheld principally the views of the House in this regard and, as usual, the legislative processes of the conference have made it an even better bill all the way round. I commend it to the House, to the Civil Aeronautics Board, and to the airlines industry in the public interest.

Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Speaker, I represent a district which had 22 young draftees on the plane that so tragically crashed some time ago. They were flying on a nonscheduled flight. I certainly want to go on record in support of any legislation such as this that will increase safety in this type of operation.

Mr. HARRIS. Mr. Speaker, we all know how intensely interested the gentleman from New Jersey is in this problem and the interest that he has displayed in this important matter over the years.

On behalf of the conferees, I want to thank him for the contribution he has made, and also want to commend the splendid contribution made by the gentleman from Pennsylvania [Mr. WALTER]. He recommended some five or six amendments in the field of safety, four of which were accepted—that is, the amendments were accepted in principle—in order to provide more safety for the public in this type of operation.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken, and the Speaker announced that the "ayes" appeared to have it.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 338, nays 0, not voting 98, as follows:

[Roll No. 138]

YEAS—338

Abbitt	Andrews	Bass, N.H.
Abernethy	Ashbrook	Bass, Tenn.
Adair	Ashmore	Bates
Addabbo	Auchincloss	Battin
Albert	Avery	Beckworth
Alexander	Ayres	Beermann
Andersen, Minn.	Baker	Belcher
Anderson, Ill.	Baldwin	Bell
	Barry	Bennett, Fla.
Bennett, Mich.	Harrison, Wyo.	Perkins
Berry	Harsha	Peterson
Boggs	Harvey, Ind.	Pfost
Bolling	Harvey, Mich.	Philbin
Bow	Hechler	Pike
Brademas	Hemphill	Pillion
Bray	Henderson	Pirnie
Breeding	Herlong	Poage
Brewster	Hoeven	Poff
Brooks, Tex.	Hoffman, Ill.	Price
Broomfield	Holifield	Pucinski
Brown	Holland	Purcell
Broyhill	Hosmer	Quie
Bruce	Huddleston	Randall
Burke, Mass.	Hull	Ray
Burleson	Ichord, Mo.	Reifel
Byrne, Pa.	Inouye	Rhodes, Ariz.
Byrnes, Wis.	Jarman	Rhodes, Pa.
Cahill	Jennings	Riehlman
Cannon	Jensen	Rivers, Alaska
Cederberg	Joelson	Roberts, Ala.
Chamberlain	Johansen	Roberts, Tex.
Chelf	Johnson, Calif.	Robison
Chiperfield	Johnson, Md.	Rodino
Church	Johnson, Wis.	Rogers, Colo.
Clancy	Jonas	Rogers, Fla.
Clark	Jones, Mo.	Rooney
Coad	Judd	Roosevelt
Cohelan	Karsten	Rosenthal
Collier	Karth	Rostenkowski
Colmer	Kastenmeier	Roudebush
Conte	Kearns	Roush
Cook	Kee	Rousselot
Cooley	Keith	Rutherford
Corbett	Kilgore	Ryan, Mich.
Cramer	King, Calif.	Ryan, N.Y.
Cunningham	King, N.Y.	St. George
Curtin	King, Utah	Santangelo
Curtis, Mo.	Kitchin	Schadeberg
Daddario	Kluczynski	Schenck
Dague	Knox	Scherer
Daniels	Kornegay	Schneebeli
Davis, James C.	Kunkel	Schweiker
Davis, John W.	Laird	Scott
Dawson	Lane	Selden
Dent	Langen	Shelley
Denton	Lankford	Sheppard
Derounian	Lennon	Shipley
Derwinski	Lesinski	Short
Devine	Libonati	Shriver
Diggs	Lindsay	Sibal
Dingell	Lipscomb	Sikes
Dole	McDonough	Siler
Dominick	McDowell	Sisk
Donohue	McFall	Smith, Calif.
Dooley	McIntire	Smith, Iowa
Dorn	McMillan	Springer
Dowdy	Macdonald	Stafford
Doyle	MacGregor	Staggers
Dulski	Mack	Stephens
Durno	Magnuson	Stubblefield
Dwyer	Marshall	Sullivan
Elliott	Martin, Nebr.	Taber
Ellsworth	Mathias	Taylor
Everett	Matthews	Teague, Calif.
Evins	Meader	Teague, Tex.
Fallon	Merrow	Thomas
Fascell	Michel	Thompson, N.J.
Fenton	Miller, Clem	Thompson, Tex.
Findley	Miller, N.Y.	Thomson, Wis.
Finnegan	Milliken	Thornberry
Flynt	Mills	Toll
Ford	Minshall	Trimble
Forrester	Moeller	Tuck
Fountain	Monagan	Tupper
Frelinghuysen	Montoya	Udall, Morris K.
Friedel	Moore	Utt
Fulton	Moorehead, Ohio	Vanik
Gallagher	Moorhead, Pa.	Van Pelt
Garmatz	Morgan	Van Zandt
Gary	Morris	Vinson
Gathings	Morrison	Waggonner
Gavin	Morse	Wallhauser
Giaimo	Mosher	Walter
Gonzalez	Murphy	Watts
Goodell	Murray	Weaver
Goodling	Natcher	Weis
Granahan	Nedzi	Westland
Grant	Nelsen	Whalley
Green, Oreg.	Nix	Wharton
Griffin	Norblad	Whitener
Griffiths	Norrell	Whitten
Gross	O'Brien, Ill.	Wickersham
Gubser	O'Brien, N.Y.	Widnall
Hagan, Ga.	O'Hara, Ill.	Williams
Hagen, Calif.	O'Hara, Mich.	Willis
Haley	O'Konski	Wilson, Calif
Hall	Olsen	Wilson, Ind.
Halleck	O'Neill	Winstead
Halpern	Osmers	Wright
Hansen	Ostertag	Young
Harding	Passman	Younger
Hardy	Patman	Zablocki
Harris	Pelly	

NAYS—0

NOT VOTING—98

Addonizio	Fisher	May
Alford	Flood	Miller, George P.
Alger	Fogarty	Moss
Anfuso	Frazier	Moulder
Arends	Garland	Multer
Ashley	Gilbert	Nygaard
Aspinall	Glenn	Pilcher
Bailey	Gray	Powell
Baring	Green, Pa.	Rains
Barrett	Harrison, Va.	Reece
Becker	Hays	Reuss
Betts	Healey	Riley
Blatnik	Hébert	Rivers, S.C.
Blitch	Hiestand	Rogers, Tex.
Boland	Hoffman, Mich.	St. Germain
Bolton	Horan	Saund
Bonner	Jones, Ala.	Saylor
Boykin	Kelly	Schwengel
Bromwell	Keogh	Scranton
Buckley	Kilburn	Seely-Brown
Burke, Ky.	Kirwan	Slack
Carey	Kowalski	Smith, Miss.
Casey	Kyl	Smith, Va.
Celler	Landrum	Spence
Chenoweth	Latta	Steed
Corman	Loser	Stratton
Curtis, Mass.	McCulloch	Thompson, La.
Davis, Tenn.	McSween	Tollefson
Delaney	McVey	Ullman
Downing	Madden	Yates
Edmondson	Mahon	Zelenko
Farbstein	Mailliard	
Feighan	Martin, Mass.	
Fino	Mason	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. McSween with Mr. Alger.
Mr. Keogh with Mr. Nygaard.
Mr. Davis of Tennessee with Mr. Becker.
Mr. Multer with Mrs. Reece.
Mr. Thompson of Louisiana with Mr. Betts.
Mr. Celler with Mr. Saylor.
Mr. Flood with Mr. Chenoweth.
Mr. Healey with Mr. Arends.
Mr. Fogarty with Mr. Mason.
Mr. Powell with Mrs. May.
Mr. Gilbert with Mr. Kilburn.
Mr. Stratton with Mr. Hiestand.
Mr. George P. Miller with Mr. Glenn.
Mr. Farbstein with Mr. Martin of Massachusetts.
Mr. St. Germain with Mr. Schwengel.
Mr. Zelenko with Mr. Curtis of Massachusetts.
Mr. Mahon with Mr. Bromwell.
Mr. Delaney with Mrs. Bolton.
Mr. Loser with Mr. McVey.
Mr. Feighan with Mr. Horan.
Mr. Slack with Mr. Hoffman of Michigan.
Mr. Reuss with Mr. Kyl.
Mr. Rogers of Texas with Mr. Scranton.
Mr. Anfuso with Mr. Seely-Brown.
Mr. Ashley with Mr. Mailliard.
Mr. Aspinall with Mr. Fino.
Mr. Bailey with Mr. Garland.
Mr. Bonner with Mr. Tollefson.
Mr. Burke of Kentucky with Mr. Latta.
Mr. Carey with Mr. McCulloch.

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

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

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

AMENDING THE COMMUNICATIONS ACT OF 1934

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8031) to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus, with an amendment of the Senate

thereto, and agree to the Senate amendment thereto.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Resolved, That the bill from the House of Representatives (H.R. 8031) entitled "An Act to amend the Communications Act of 1934 in order to give the Federal Communications Commission certain regulatory authority over television receiving apparatus" do pass with the following amendment: Page 1, line 8, after "of" insert "adequately".

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

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

Mr. HARRIS. Mr. Speaker, it will be recalled that the House Committee on Interstate and Foreign Commerce reported this bill, H.R. 8031, which would provide for all-channel receiving sets to be manufactured by companies manufacturing television sets. In other words, the sets must be able to receive both VHF signals and UHF signals. The bill passed the House by a very big majority vote. It went to the other body. They adopted the language as passed by the House with the exception of this one amendment which provides that the receiving set shall be capable of adequately receiving all frequencies, and so on.

The reason for the word "adequately" being included by the Senate is the fact that if there is not some way for the Federal Communications Commission to establish rules in reference to these sets cheap and shoddy sets may show up on the market that will be no good at all. So the purpose of this amendment is to establish the policy of a minimum type of receiving set in order to prevent such kind of action being imposed upon the general public.

Mr. GROSS. It does mean, however, that one would have to buy, after this legislation becomes effective, sets equipped both ways.

Mr. HARRIS. It does mean that all receiving sets in due time would receive both signals.

Mr. GROSS. Whether you would be able to get both signals or not you would have to buy sets so equipped?

Mr. HARRIS. Yes; and it is planned ultimately that in most sections of the country such signals would be received.

I might say, Mr. Speaker, in order that the record may be kept perfectly clear that the Electrical Industries, Associated, had some reservation about it but they have now written a letter to the committee in which they approve this amendment. Also the Maximum Telecasters wrote a letter in which they approve the amendment and urge its adoption. As far as I know, the industry is in favor of it.

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

Mr. DOMINICK. Mr. Speaker, further reserving the right to object, I happen to be one of those who voted against the bill when it went through the House. It would require the people of Colorado to pay more for new TV sets for equipment for which they have no immediate or prospective use.

Let me understand this clearly. Does this amendment mean in addition to the added expense required under the original bill, the amendment gives the FCC power to establish performance requirements as well?

Mr. HARRIS. I would say to the gentleman that none of his constituents or mine are going to be required to buy the kind of television set the gentleman referred to tomorrow or next year. As the gentleman will recall, when we discussed it on the floor of the House, rules-making procedure will be necessary, and it will require 5, 6, or 7 years before this will be brought about. We hope ultimately it will be of advantage to all the citizens in the country.

This amendment merely says that if such a receiving set is put on the market that it will have to perform and, therefore, be able to receive the signals it is contemplated will be used.

In other words, it is to prevent shysters from developing shoddy equipment.

Mr. DOMINICK. That does not change the fact that the amendment gives to the Communications Commission the power to determine the type of instrument, whether it is good, bad, indifferent, excellent, or anything else that a manufacturer of a receiving set is going to put out?

Mr. HARRIS. Those who are primarily interested have a contrary view in letters to the committee.

Mr. DOMINICK. Does that also apply to the manufacturers of receiving sets? Have they agreed to this type of amendment?

Mr. HARRIS. Yes. That is what I am telling the gentleman. The group of manufacturers that were concerned about it before realize, in view of the fact there is going to be a bill, that they want this provision in it. They must have it in order to protect themselves against shoddy material.

Mr. DOMINICK. I thank the gentleman.

Mr. HALL. Mr. Speaker, reserving the right to object, may I ask the distinguished chairman if this would in any way affect the Federal Communications Commission's power to direct a telecaster to broadcast on any beams or in any areas?

Mr. HARRIS. No, it would not have any effect whatsoever.

Mr. SPRINGER. Mr. Speaker, reserving the right to object, may I say this was discussed when we had this hearing before our own committee. We did not put this word in. It went over to the Senate side. I think it has been an improvement on our bill. I believe the legislation ought to be passed with that word in it.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SUPPLEMENTAL AIR CARRIERS

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

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

There was no objection.

Mr. WALTER. Mr. Speaker, I wish to present at this time a full and completely verified summary of some of the most important factors bearing on the qualifications of the supplemental carriers which were authorized to do business as of the beginning of this session of Congress.

These data were prepared by my staff from a number of official sources. It gives ample evidence as to the fitness and ability of these carriers, or their lack of it, to provide air transportation in accordance with the statute and the Civil Aeronautics Board's regulations, and the carriers' willingness, or lack of it, to comply with the statute and the regulations.

Some of this material has been made known to my colleagues for purposes of the deliberations of the conferees. I now offer all of it in full with the express intent that it be carefully noted by both the Civil Aeronautics Board and the Federal Aviation Agency, and that it be given full weight in future evaluations of these carriers by these agencies or any other department of the Government that may be concerned with them.

The history of these carriers has, in many respects, been a very sorry one, but the history of the failure of CAB majorities to regulate them during the late 1950's was even sorrier. By shutting their eyes to the plainest evidence of mismanagement, gross negligence, and dishonesty, and by distilling this attitude into a doctrine which the Board officially characterized as "resolving doubts in favor of the carrier," these majorities simply abdicated their responsibility to regulate.

Thus, the interests of a few self-seeking people in the managements of a few companies were allowed to rise ahead of the interests of the public.

This must not recur. In certificating carriers pursuant to this legislation the CAB must bear in mind that the Congress intends that all ticketed services by supplemental carriers are to end no later than 2 years hence, and that only such ticketed services as are genuinely needed by the carrier—are convincingly proven to be needed, in order to make the transition to all-chartered operations—are to be permitted at all during this 2-year period. Congress is saying categorically that ticketed operations by supplementals are bad, per se, because the CAB has shown that it cannot control, limit, or police these operations, and because of this have caused the most irresponsible of managements to move into these companies to make a quick buck while scoffing at the law and making a mockery of the safety of the public. You cannot have ticketed services by these carriers and at the same time regulate them.

Now, as to the summaries of these companies:

SUMMARY OF FACTORS ON QUALIFICATIONS OF SUPPLEMENTAL AIR CARRIERS

AIR CARGO EXPRESS (COLUMBIA)

Compliance

In 1957: Found by the examiners to be "owned and controlled and managed by the group of persons which constituted (with the exception of Mr. Heacock) the management of Air Transport Associates, Inc., when the Board found that the latter carrier could not be entrusted with operating authority and that its license must be revoked" (I.D., D. 5132, Jan. 10, 1957, p. 23).

In 1959: The Board adopted the finding of the examiners and denied the carrier's applications in docket No. 5132. The carrier petitioned for reconsideration alleging that there had been a complete change in ownership, management, and control.

In 1960: On appeal to the court of appeals the carrier said in its brief that its control and management changed in 1957 and 1958 and that 54 percent of its stock "is and has been since 1957" held by strangers to the record. The court, therefore, remanded the case to the CAB to give the company a chance to establish its qualifications "under the changed circumstances alleged" (294 F. 2d 217, 227 (D.C. Cir. 1961)).

In 1962: On February 5, 1962, CAB Bureau Counsel filed a brief in the remanded case reciting evidence brought out at the hearing that the alleged change in ownership, management, and control was in form only and that not merely were Mr. Heacock's associates in the notorious violator, Air Transport Associates, in the picture but Mr. Heacock himself, the president of that carrier, was half owner of Air Cargo Express at least at the time the brief to the court of appeals reiterating the allegations of change was filed. Bureau Counsel stated:

"The facts of record prove beyond a shadow of a doubt that Air Cargo's allegations of a complete change in ownership and control were completely without substance, and strongly suggest that Air Cargo intended to deceive the Board and the court.

* * * * *

"In spite of the foregoing, Air Cargo vigorously processed its appeal to the court from the Board's 'unfair' decision and as late as July and August 1960, filed briefs in support of its allegation that there had been, and is presently, a complete change in the ownership and control of Air Cargo. What Air Cargo neglected to tell the court was that as at this very time, Mr. Heacock (of Air Transport Associates—see 1957, above) was back in the picture as half owner of the carrier.

"Certainly, Air Cargo should not be rewarded in this proceeding for having kept the facts from the court."

Financial

As of March 31, 1961, working capital was minus $34,850, earned surplus minus $35,400, current assets only $150, and total assets $46,650, of which all but the $150 are "other assets" not further identified.

Owns no flight equipment.

Dormant

Dormant for 12 months to June 30, 1961 (latest year available).

FAA air carrier operating certificate expired March 8, 1960.

AIRLINE TRANSPORT CARRIERS (CALIFORNIA-HAWAIIAN)

Compliance

In 1952: Ordered to cease and desist from: maintaining interlocking relationships without prior Board approval; transferring stock or property without prior Board approval; and failing to file agreements with other air carriers as required under section 412(a) of the act (15 CAB 876).

In 1960: Consent cease and desist order based on the following violations: excessive flight frequencies; common control of Airline Transport Carriers and California Central Airlines by Charles and Edna Sherman without Board approval; common control of Airline Transport Carriers and California Coastal Airlines by the same persons without Board approval; interlocking relationships among officers of these carriers without Board approval; aircraft leases by Airline Transport Carriers without Board approval; failure to file cooperative working agreements between Airline Transport Carriers and the other two carriers in violation of section 412 of the act; violation of CAB ticketing requirements; failure to charge and collect the fares specified in its tariffs; and failure of Charles and Edna Sherman to file with the Board annual reports of stockownership in violation of section 407 of the act (D. 9338, Order E–14978, Mar. 2, 1960).

In 1961: In October CAB enforcement office conducted field investigation of ATC, upon which "it appears that ATC filed erroneous financial data with the Board" in balance sheets for both December 1960 and June 1961:

"Specifically, the carrier failed to record the current portion of long-term debt, classifying as long-term debt unearned revenues and accrued salaries rather than as current liabilities, and overstated its current assets. Adjustments by the Board's auditors show 'the carrier's working capital position appears to be extremely precarious. Thus instead of a 1.6 to 1 ratio of current assets to current liabilities, the actual ratio appears to be 1 to 6.6.'

"Moreover, in view of the carrier's apparent, and possibly willful violations of the Board's reporting requirement in submitting financial reports, the ability and desire of the carrier to adhere to the Board's rules and regulations becomes subject to much doubt" (Bureau Counsel's motion to reopen the record, D. 5132, et al., January 3, 1962).

Safety

Declared unfit by MATS on safety grounds.

Finances

As of June 30, 1961, even on the carrier's figures which Bureau Counsel has characterized as false (see above), earned surplus was minus $167,000, and net worth minus $99,800.

Declared unfit by MATS on financial grounds also.

AMERICAN FLYERS AIRLINE CORP.

Financial

As of September 30, 1961, working capital was minus $145,000, earned surplus minus $49,700, and net worth minus $44,700.

ARCTIC PACIFIC

Compliance

In 1950: Consent cease and desist order issued in July for operating regular scheduled service (docket No. 4285).

In 1960–61: Following crash at Toledo, October 29, 1960, with California Polytechnic football team, James Springer, head of the company, moved into a combine of California intrastate enterprises, Golden Gate Airlines, Far West Airlines, and Travis Transportation Co., concealing his management of them by listing himself in the personnel roster as a mere "expediter." This came to light in hearings following a DC–3 crash of Travis in October 1961, killing 7. Testimony included such matters as pilots being ordered to fly after being on duty over 14 hours (more than permitted by FAA), destruction of files showing lack of pilot proficiency, operation without required FAA certificates, inability of employees to collect pay owed them, failure to keep records, failure to inspect aircraft chartered by Far West, and that one Howard Harper of San Carlos, Calif., was involved in plans for a large stock offering in Far West. Harper was indicted September 29, 1961, and charged with 13 felony counts in connection with an airport development scheme and illegal stock sales.

Safety

Cal-Poly football crash at Toledo in below minimum weather, with bad equipment, overloading, and pilot flying overtime, October 29, 1960 (CAB accident report SA–360, file No. 1–0047, Jan. 15, 1962).

Finances

Bankrupt.

Apparently survivors of the Toledo crash have been unable to collect on the carrier's insurance. The insurer has denied liability because of failure of the carrier to operate according to regulations. And the carrier itself had no, or virtually no, assets out of which judgments for negligence could be satisfied (Saturday Evening Post, Feb. 10, 1962, p. 59). Many supplemental carriers hold their tangible assets to a minimum by leasing their operating equipment.

CAB action

Not revoked until August 16, 1961—10 months after the Toledo accident (Order No. E–17329).

In its decision in the large irregular air carrier investigation in 1959, the Board had noted:

"Intervenors attack this applicant primarily on the score of operational ability. The contentions of intervenors with respect to the weakness of applicant's organizational basis, proposed operations, and financial condition would be persuasive if a fresh applicant for authority were involved, but merit less weight where a renewal for supplemental authorization is concerned."

The matter of the Board's fitness findings as to Arctic-Pacific was fully briefed to the U.S. court of appeals as one of four particularly outrageous examples, and was undoubtedly in the court's mind when it held the supplemental certificates illegal because of improper fitness findings by the CAB. Moreover, a trial examiner's recommendation to revoke for dormancy February 5, 1958, which represented still another opportunity to deal with this carrier, was dismissed by CAB, November 9, 1959.

ARGONAUT AIRWAYS CORP.

Compliance

In 1952: Suit to enjoin regular scheduled service resolved by stipulation.

In 1953: Trial examiners in the large irregular air carrier investigation recommended dismissal of Argonaut's application for nonprosecution. In February 1952, the examiners had directed all applicants to submit exhibits including certain specific information. "Argonaut filed none of the information required." Prior to the hearing, the CAB Counsel's Office telephoned Argonaut's counsel pointing out the failure to submit the required exhibits and in August the examiners, by written notice to all parties, pointed out the failure of some applicants to submit such data. Despite all such warnings, Argonaut did not submit the data. The Board said:

"The record before us * * * demonstrates conclusively that the applicants deliberately refused to comply with directions. * * * Those directions were in accord with our Rules of Practice, and represented a proper exercise of the examiners' powers.

"We, therefore, take this opportunity to make it clear to all that we deem compliance with the valid directions in a prehearing conference report to be essential. * * * To countenance a disregard of those directions would be to invite chaos" (17 CAB 861).

In 1955: Submitted inconsistent balance sheets—one, to the Air Materiel Command to establish credit for purchase of an aircraft, showed a surplus; the other, to the CAB, showed a negative net worth (I.D., D. 5132, Jan. 10, 1957, p. 48).

In 1959, 1960: Violated section 412 of the act by illegally entering into "a cooperative working arrangement" with AAXICO Airlines without CAB approval, and section 403(b) by charging shippers rates higher than those specified in its tariffs filed with the CAB (I.D., D. 5132, reopened large irregular air carrier investigation, May 24, 1961, p. 14).

Finances

As of September 30, 1961, earned surplus was minus $200,000, and owned flight equipment worth only $31,000.

Inasmuch as the deficit compares with total transport revenues of only $78,000 in 1960 and $28,000 in 1959, the possibility of reestablishing the carrier's financial integrity out of operations seems highly remote.

CAB Action

Despite its chastisement of Argonaut for persistent failure to supply the required evidence in 1952 (see above), the Board said:

"We are, however, troubled by the fact that the dismissal of these applications would have the effect of terminating the authority of the applicants to engage in irregular air transportation. This is indeed a severe sanction, and we are reluctant to impose it" (17 CAB 861).

And thereupon permitted late submission of the exhibits (1953).

The Board's concern for continued operating authority of Argonaut was misplaced. It became virtually dormant in later years. In fiscal 1960 it did no individually ticketed business, and only $63,000 of charter business. In the first two quarters of 1961, it did no individually ticketed business and only $41,000 charter.

ASSOCIATED AIR TRANSPORT

Safety

Declared unfit by MATS for substandard maintenance.

Finances

As of September 30, 1961, working capital was minus $202,000, earned surplus was minus $162,500, capital surplus minus $12,400, and net worth minus $174,900.

Declared financially unfit by MATS.

The current financial status is a good illustration of the failure of wishful CAB thinking to pay off. The examiners, in January 1957, said:

"The carrier is in a relatively poor financial condition, and if this were the only factor to be considered * * * it would constitute sufficient grounds for denying it any operating authority. However, Associated has been operating virtually on a daily basis since September 23, 1956 * * * it is believed that any doubts concerning its financial position should be resolved in its favor" (I.D., D. 5132, Jan. 10, 1957, p. 53).

In other words, because the company had been in operation for just 3 months this rendered it fit. In fact, the company ceased operations in January 1957, the same month as the examiners' decision, for virtually the next 6 months.

MATS' current rejection of the company indicates that it has not improved its condition.

AVIATION CORP. OF SEATTLE (WESTAIR)

Finances

Bankrupt.

CAB action

The former principals in the North American combine, Hart, Fischgrund, Lewin & Weiss, applied on January 17, 1961, for CAB approval of their acquisition, through a wholly owned corporation, of this carrier's certificate. The Board has not acted upon the application, which should have been denied out of hand in view of the fact the North American combine was probably the worst law violator in CAB history.

BLATZ AIRLINES

Compliance

In 1958: Consent cease and desist order for the following violations: exceeding frequency limitations; numerous instances of operating as alleged charters what were in fact individually ticketed operations; violation of ticketing regulations; charging fares other than those specified in Blatz' tariffs filed with the CAB; issuance of unauthorized free transportation; agreements to provide air transportation in conjunction with one of the carriers in the Great Lakes combine, without filing these with the CAB or obtaining CAB approval; and carriage of passengers pursuant to such agreements (D. 8727, Order E–12987, Sept. 18, 1958).

In 1962: U.S. District Court of Los Angeles ordered Blatz to permit CAB inspection of its books and records as part of the recent CAB investigation of the supplementals. Blatz had refused to permit the inspection (American Aviation Daily, Jan. 22, 1962, p. 139). Rumors have associated Blatz with a new combine possibly involving Quaker City and Paul Mantz.

In the case of a similar unwarranted refusal by a nonsked several years ago the CAB examiner noted:

"These compliance proceedings take a long time. They are costly. Yet, for days during the pendency of the hearings in this matter, each respondent stoutly resisted the Board's access to its books and records" (*Aero-Peninsular Compliance* case, I.D., Jan. 31, 1957, 24 CAB 469 at 576).

CAPITOL AIRWAYS

Compliance

The CAB in order No. E–17947 issued January 23, 1962, instituted an investigation to determine whether Capitol has been (1) knowingly and willfully operating illegal flights in violation of sections 401 and 403 of the act; (2) undercutting CAB established rate minimums and charging rates not set forth in its tariff in violation of section 403 of the act; (3) filing false and misleading statements and reports with the CAB.

The Board added:

"We take this occasion * * * to express our concern with the operating practices and carrier representations made pursuant to our program for military traffic exemptions, and to stress the importance which we place upon the observance of the limitations upon operating authority and the necessity for candid representations to the Board and its staff in relation to such exemptions."

COASTAL AIRLINES

Operations

The most significant thing about this company is that its certificate has been sold, subject to CAB approval of the transfer. It owns no aircraft and appears close to being dormant.

Its transport revenues were only $6,750 in 1961 and only $7,000 in 1960. Obviously the management has little interest in providing supplemental service.

Finances

In 1959 it lost $178,000. As of June 30, 1961, its working capital was minus $18,500, earned surplus deficit was over $64,000, and net worth deficit almost $56,000.

CONNER AIRLINES

Operations

Only two flights between June 30, 1954, and September 29, 1956. Only $3,000 transport revenues in 1959, none in 1960, none in 12 months ending June 30, 1961.

Finances

Bankrupt.

CAB action

The CAB awarded a supplemental certificate against the recommendation of its Bureau Counsel who asserted that the carrier was insolvent as early as 1956. He pointed out that Conner had written up a DC–6, bought for $153,000, to $778,000, which was over 88 percent of the carrier's total assets as of December 31, 1955. Current assets, March 31, 1956, were only $32,000 versus current liabilities of almost $199,000 (I.D., D. 5132, Jan. 10, 1957, p. 76).

The examiner and the Board ignored both this and the record of nonoperation, saying that the fact that Conner did operate one flight in September 1956, "indicates that it intends to resume operations and is a strong indication of ability to do so" (I.D., D. 5132, Jan. 10, 1957, p. 77).

GENERAL AIRWAYS

Finances

Bankrupt.

Compliance

It is also possible that General has been illegally acquired. The carrier's certificate was sold December 17, 1959, at a trustee-in-bankruptcy sale (following a fatal accident of February 1, 1959, in a military charter (CAM), when the pilot ignored weather warnings and flew into icing conditions). No application for approval of the transfer of the certificate had been filed as of June 1961. (Senate Hearings, S. 1969, June 1961, p. 22, note 10; CAB "Résumé of Accidents," calendar year 1959, July 15, 1960; p. 21.) Moreover, according to General's report to the CAB December 31, 1960, its then owner-president was one Charles E. Lewis. An individual of this name claims to have acquired Quaker City in 1961. An owner of one carrier cannot acquire another without CAB approval, and no CAB approval of such acquisition of Quaker City has been given. One Charles E. Lewis was also reported in December 1961, to be head of the Independent Airlines Association, which has been considered dominated by the principals behind the Great Lakes combine.

IMPERIAL AIRLNIES

Compliance

Principal owner-officer previously involved in illegal non-sked combine activities and probably guilty of illegal acquisition of Imperial (when known as Regina).

CAB Chairman Boyd testified in January that recent CAB investigations revealed "ticketing irregularities," "tariff violations," filing "misleading financial data," and "false statements" with the CAB.

Safety

Crash at Richmond, Va., in November 1961 found by CAB to be caused by flight crew incompetence, condoned by management.

Three crashes when operating under previous name, Regina Cargo Airlines.

Finances

Cannot be stated because of falsification of the carrier's reports to the Board.

Operations

Apparently inoperative now.

CAB action

No proceedings instituted to terminate this carrier's authority despite the Richmond crash and the Board's findings as to the probable cause. This carrier had been challenged on the precise point of operational fitness in the large irregular air carrier investigation but because the company had a net worth of $180,000 and was a going concern the Board in its decision in 1959 said, "it seems clear that Regina (carrier's former name) meets the criteria of overall operational ability."

MIAMI AIRLINE

Compliance

In 1952: Suit for injunction against continued operation of regular scheduled service. Resolved by stipulation.

In 1952: Injunction for violation of CAB ticketing regulations.

In 1953: Examiner's recommended dismissal of this carrier's application in the large irregular air carrier investigation on the same grounds of nonprosecution and failure to comply with orders of the examiner as for Argonaut (17 CAB 861).

In 1960: Cease-and-desist order issued in December by CAB against R. W. Duff, Effie Duff, and Miami Airline because of the following violations: by the Duffs, by acquiring control of two other aviation businesses without prior Board approval, while controlling Miami; by the Duffs, by holding officerships and directorships in the three companies at the same time, without Board approval; by Miami, for permitting these interlocking relationships to continue; and by Miami, for leasing a substantial part of the properties of S. & W. Motor Lines without prior Board approval (D. 8427, Order No. E–16125, Dec. 8, 1960).

In 1962: Trial examiner again recommends dismissal of carrier's application for supplemental operating authority on the ground of nonprosecution (D. 5132, I.D., Jan. 16).

Finances

Bankrupt.

MODERN AIR TRANSPORT, INC.

Financial

As of September 30, 1961, working capital was minus $197,100, earned surplus minus $38,300, and net worth minus $37,300.

OVERSEAS NATIONAL AIRWAYS

Compliance

In 1961: CAB issued cease-and-desist order June 5 commanding carrier to: (1) discontinue its practice of entering into illegal contracts with foreign air carriers in violation of section 412 of the Act; and (2) discontinue engaging in foreign air transportation without legal authority to do so in violation of section 401(a) of the Act:

"A criminal information was filed in the U.S. District Court for the Southern District of California against Overseas National, a supplemental air carrier, and several individuals for violation of section 403(b) of the Act in charging unauthorized fares between California and Hawaii. The case is pending trial" (CAB annual report, 1961, p. 54).

In addition, Overseas National has repeatedly sought to circumvent the Board's North Atlantic charter policy by attempting to carry individual members of the general public under the pretext they are bona fide members of homogeneous charter groups as required by CAB. See CAB Orders Nos. E–12575, E–12608, E–12654, E–12655, E–12699, E–12742, and E–12992. Example:

"We note that the applicant has made different and conflicting representations. In proceedings such as these in which our decision must necessarily be made largely upon a written record developed in principal part by the applicant, it is important that we be able to rely upon the accuracy of the representations made. Changes in these representations which are not demonstrated to have been required as a result of circumstances beyond the applicant's control become matters of serious concern, not only in the processing of this particular application but also in others in which the same applicant is involved" (Order No. E-12992).

Moreover, the carrier has repeatedly been guilty of late filing of applications for approval of specific charter flights. For example:

"We note that this is one of several recent filings by the carrier-applicant that have failed to comply with our notice requirements; * * * Continued disregard of our filing requirements cannot be countenanced. Short-notice filings not only impose a burden upon the Board and its staff in processing the applications before flight departure but they delay the processing of those applications which are timely filed, and thus disrupt the orderly discharge of our charter program" (Order No. E–12608, similarly Order No. E–12711).

"The Board has previously commented on the lateness of filing of applications by ONA and has stated that continued disregard of the Board's filing requirements may result in denial of a charter application where there is insufficient time to obtain information needed to pass upon the eligibility of the chartering group. We are not satisfied that the reasons advanced by the carrier for its late filing in this instance are sufficiently beyond its control to justify the lateness. It is significant that with few exceptions carriers and charterers alike have been able to submit their applications promptly and in good order. In those instances where this has not been done, it raises questions as to the willingness or ability of the applicant to conform properly to the Board's requirements" (Order No. E–12633).

Financial

Much worse condition than that of carriers rejected by MATS on financial grounds.

As of September 30, 1961, working capital is minus $1,625,000, earned surplus minus $987,000, and net worth minus $887,000.

Operating losses: 1959, $1,689,000; 1960, $2,087,000.

PAUL MANTZ AIR SERVICES (PARAMOUNT AIRLINES)

Compliance

In 1952: Was one of five nonskeds in the illegal North Star combine which operated around 1952 and 1953, primarily New York-Chicago-Los Angeles. Principals behind the combine were Fred Miller and Donald Reichgott (alias Don Rich). Mantz' role was to rent its nonsked operation authority for use by the combine.

In 1953: As of March 31, 1953, four of the North Star carriers, including Mantz, owed the Federal Government over $500,000 in unremitted taxes.

In 1957: The examiners in the large irregular air carrier investigation found Mantz to have violated 4 different parts of the Civil Aeronautics Act, plus the CAB's Economic Regulations, and unfit to stay in business. They said:

"His deliberate and willful disregard of the provisions of the Act and the Board's Regulations in allowing the North Star group to assume control of his operation and to operate the illegal service is reprehensible and is persuasive of the fact that he cannot be depended upon to conform to the Act and the Board's Regulations" (I.D., large irregular air carrier investigation, docket No. 5132, Jan. 10, 1957).

CAB Action

Despite the carrier's role in the North Star combine the Board, in its decision in docket No. 5132 in January, 1959, granted it a 2-year supplemental certificate, brushing aside the past violations with the simple statement that the personal interest of Paul Mantz (who at that time owned the company) in preserving his reputation as a private flyer (for Hollywood movies, etc.) "will operate as an added motivation for avoiding conduct leading to compliance action."

In 1961 in proceedings for renewal of the carrier's 2-year certificate, CAB Bureau Counsel announced a tentative position that it "is unfit for supplemental authority."

Operations

Excessive individually ticketed operations appear to be currently conducted on the traditional New York-Chicago-Los Angeles nonsked run through the "Transcontinental" ticket agencies which previously handled the Great Lakes combine.

"In fiscal 1961, the U.S. Attorney for the Southern District of California filed a 20-count criminal information charging Transcontinental Airlines Agency and Skycoach Agency of Los Angeles (ticket agents for several supplemental carriers) with violations of a Board cease and desist order by holding out the ticket agency as 'Transcontinental Airlines.' The filing of this information followed numerous complaints from the general public and various better business bureaus against 'Transcontinental Airlines.' The general public was greatly inconvenienced by these companies misrepresenting their agency status because (1) canceling passengers did not know where to request refunds, (2) it was difficult to register claims for damaged or lost baggage, and (3) relatives and friends at destination airports were unable to secure flight information while awaiting arrival of a 'Transcontinental Airlines' flight. On November 28, 1960, each defendant was fined $250 per count, for a total fine of $10,000" (CAB annual report, 1961, p. 55).

PRESIDENT AIRLINES (FORMERLY CALIFORNIA-EASTERN AVIATION)

Operations

Passenger strandings at London and Shannon last fall (including the Irish Club from Chicago). Aircraft seized by airport authorities for nonpayment of bills.

Dormant for 12 months to June 30, 1961 (latest year available).

Finances

Declared unfit by MATS.

Former attorney for the carrier has sued it for $7,397 legal fees plus expenses for the period May 1 to September 7, 1961. The attorney has attached funds being held for the company by the Independent Airlines Association, a nonsked trade association. The funds were assigned to a California bank but the attorney alleges a possible fraudulent conveyance. The District Court has issued a summons and directed the carrier to appear and defend the action (American Aviation Daily, Feb. 5, 1962, p. 228).

Safety

Crash at Shannon, Ireland, September 10, 1961, with 82 fatalities.

CAB action

None, despite the crash and the strandings.

Certificate was originally issued in January 1951, to California-Eastern which remained dormant until CAB approved transfer to certificate to President June 23, 1960.

QUAKER CITY AIRWAYS (ADMIRAL AIRWAYS)

Compliance

This should be weighed against the trial examiner's report in 1957 that Sussman, the carrier's then president, had stated that while "there have been a lot of propositions" to Quaker City concerning the sale of its stock or the procurement of its letter of registration, the carrier has not offered to sell and does not intend to sell. He asserted that the Board need have no concern that Quaker City will permit operators whose authority has been revoked to use its aircraft or its operating authority to re-enter the field of aviation." (I.D., D. 8679, Sept. 24, 1957).

According to the carrier's representations to the Senate last summer, one Charles E. Lewis bought all the stock in May 1961. This appears to be the same Charles Lewis who is head of the Independent Airlines Association, which some have considered dominated by Great Lakes.

This also appears to be the same Charles Lewis who was head of General, thus raising

questions of illegal acquisition of control (see under "General").

Operations

Currently conducted on what seems to be a regular basis, New York-Chicago-Los Angeles, through the "Transcontinental" ticket offices which handled the Great Lakes combine.

"In fiscal 1961, the U.S. attorney for the southern district of California filed a 20-count criminal information charging Transcontinental Airlines Agency and Skycoach Agency of Los Angeles (ticket agents for several supplemental carriers) with violations of a Board cease and desist order by holding out the ticket agency as 'Transcontinental Airlines.' The filing of this information followed numerous complaints from the general public and various better business bureaus against 'Transcontinental Airlines.' The general public was greatly inconvenienced by these companies misrepresenting their agency status because (1) canceling passengers did not know where to request refunds, (2) it was difficult to register claims for damaged or lost baggage, and (3) relatives and friends at destination airports were unable to secure flight information while awaiting arrival of a 'Transcontinental Airlines' flight. On November 28, 1960, each defendant was fined $250 per count, for a total fine of $10,000" (CAB Annual Report, 1961, p. 55).

CAB action

Examiner's recommendation to revoke for dormancy dismissed by the Board November 9, 1959.

SATURN AIRWAYS, INC.

Financial

Working capital deficit of $605,200 as of September 30, 1961, is far worse than that of carriers rejected by MATS on financial grounds.

SOURDOUGH AIR TRANSPORT

Compliance

December 4, 1961, the carrier moved to defer all procedural steps in D. 12026 (re renewal of Sourdough's 2-year certificate). Bureau Counsel opposed the motion, in part on the ground "That by filing the instant motion Sourdough has breached its agreement with the Bureau and the examiner not to request further postponement of procedural steps which is the condition upon which applicant was granted a postponement of the resumption on the hearing on November 15, 1961. In substance, the Bureau's opposition is based on an alleged breach of faith by Sourdough" (D. 12026, notice to all parties, Dec. 6, 1961).

In his brief of February 1, 1962, in the same proceeding, Bureau Counsel said:

"During 1960 and for two months in 1961, Mr. Johansen was content to sit back in Seattle and let others operate under his authorization. This is hardly surprising, since Sourdough, which has no permanent employees, the most limited financial resources, and no available aircraft, is not able to conduct a bona fide operation of its own.

* * * * *

"The applicant's conduct reveals a serious lack of concern for compliance with the act and the Board's regulations.

* * * * *

"Sourdough has attempted to confer upon others authority to conduct air transportation under color of Sourdough's certificate. It actively participated and abetted in, and indeed made possible, violations of section 401 of the act. It would undermine the authority of the Board and the entire legislative scheme of the act should certificated carriers 'rent out' their authority to engage in air transportation. Indeed, Sourdough, by such action, has presumed to exercise the power that only the Board may exercise.

* * * * *

"The Board, in certificating a carrier to provide common carrier services to the public at large, must have assurances that this carrier, and not some other untried and untested person, provides the services under the authorization granted.

* * * * *

"Moreover, Sourdough's conduct * * * was indeed 'repeated and recurring' in nature.

* * * * *

"Such conduct has a direct bearing on the question of whether Sourdough possesses the requisite disposition to comply with the act and the Board's regulations thereunder. Bureau Counsel submits that Mr. Johansen, who stated that he was fully aware that control should not be passed by lease, bookkeeping or any method whatsoever, knew that Sourdough's conduct was untoward in nature and further, that he actively and with full knowledge, thus abetted violation of the act. Such conduct on Sourdough's part demonstrates that Sourdough cannot be entrusted with Board operating authority. Sourdough's authorization should be terminated" (brief of Bureau Counsel, D. 12026, Feb. 1, 1962).

One of the persons to whom Johansen rented the Sourdough certificate was one Malcolm Robertson, "a longtime personal friend" and controlling stockholder of Southeast Aircraft Corp. (d/b/a Southeast Airlines), a private contract carrier operating out of Philadelphia. "Johansen told Robertson that he would like to have an airplane in order to get his certificate renewed." Robertson therefore leased him a plane, which Johansen promptly chartered back to him, as Bureau Counsel said, "in order to aid Sourdough in this very proceeding," by showing a period of alleged operations and use of Sourdough's certificate authority. The operations were actually conducted solely by the Southeast organization, though reported to the CAB as being by Sourdough.

Under this arrangement, Sourdough carried military recruits from Philadelphia and Baltimore to South Carolina as part of the same recruit movement participated in by the Imperial Airlines plane that crashed at Richmond last November. Indeed, "Imperial Airlines had been committed to carry these recruits, and requested Sourdough to do it for Imperial."

Robertson's history goes far back: He was general manager in charge of all Safeway-Southeast ticket offices in the illegal Safeway combine which operated from 1950 to about 1956 between Miami, New York, and Chicago and in which the principal stockholder and head of Imperial Airlines had participated. He left this December 1, 1955 to resume business in his own Sky Coach Agency in Philadelphia which represented Peninsular, Aero Finance, Currey, and Great Lakes—all four being carriers later revoked by the CAB for illegal frequency of operation—plus Imperial Airlines (under its then name, "Regina") (24 CAB 469, 502; 25 CAB 89, 97-99).

Finances

Working capital as of June 30, 1961, was minus $5,100, with current assets of only $6,900. It had no cash. Current liabilities included amounts owed the Federal Government since 1959 or earlier, and Bureau Counsel said the current liabilities probably were in fact more than shown on the balance sheet. "The balance sheet also includes as fixed assets 'flight equipment' in the amount of $20,000, which refers to the unrepaired DC-3 aircraft purchased in a wrecked condition in 1955, and which would cost at least $35,000 to repair" (Bureau Counsel brief).

Operations

Near-dormancy in recent years.

"Sourdough does not presently own or have possession of any airworthy aircraft. Sourdough owns one DC-3 aircraft which was purchased in a damaged condition for $75.00 in 1955. No actual repairs have been performed on this aircraft from 1955 to date, and parts of the aircraft are being stored in three different locations. Mr. Johansen previously testified in August of 1957 that the estimated cost of repair was $50,000 or $60,000. In spite of the fact that the major portion of the aircraft has been deteriorating out in the open at Nome, Alaska, since 1955, Mr. Johansen now estimates that it will cost $35,000 to put the aircraft in airworthy condition" (Bureau Counsel brief).

Bureau Counsel noted that $35,000 "is approximately the full value of a DC-3."

"Sourdough's financial position has changed for the worse; its elaborate plans for future operations have been proven to be mere 'puffing,' and nothing of substance has changed with respect to the two DC-3 'wrecks,' which were allegedly available to Sourdough in 1959, except that they are now a little older and a little dustier. Sourdough has had almost 12 years to repair these aircraft, and it is clear, judging from Sourdough's and its partner's financial condition, that it will never be able to do so. Moreover, Mr. Johansen's stated intention to repair the DC-3 aircraft now owned by Sourdough can be given no credence in light of his representations to the Board some four and a half years ago that this same aircraft would be in operation in a few months" (Bureau Counsel brief).

CAB action

In a proceeding to revoke the carrier for dormancy, the Board in 1959 held that "it would not be in the public interest" to revoke the authority, although it had previously stressed the enforcement problems created by the rental of certificates.

STANDARD AIRWAYS

Safety

Declared unfit by MATS.

Finances

As of September 30, 1960, working capital was minus $135,800, earned surplus minus $23,500.

STEWART AIR SERVICE

Compliance

In 1958: Cease-and-desist order for violating CAB reporting regulations by failure to supply requested explanations, corrections, and revisions to financial reports required by the act and the Board's regulations. Stewart failed to comply until an enforcement proceeding was instituted to compel compliance.

In 1962: Air carrier operating certificate revoked by FAA January 5. FAA found carrier guilty of using pilots not fully qualified and checked in accordance with Civil Air Regulations, permitting unauthorized persons on the flight deck, working pilots beyond flight time limitations, using pilots who were not company employees to carry passengers, exceeding aircraft maintenance time limits, permitting consumption of alcoholic beverages on board, and keeping inaccurate aircraft log books and statements of crew competency (American Aviation Daily, Feb. 15, 1962, p. 300).

Financial

Due to inaccurate reporting, in spite of the order cited above, Stewart's latest balance sheet (Sept. 30, 1961) is confusing. It reports current assets as minus $2,170 with "cash on hand" of minus $3,251.

Current liabilities were reported as $70,594 which apparently produces a working capital deficit of $72,764.

CAB action

On appeal by the carrier the Board orally indicated its intention to uphold the FAA action, but has taken no action as to Stewart's supplemental air carrier authority.

TRANSOCEAN

Compliance

In 1950: Ordered to cease and desist from violations of section 401(a) of the then Civil Aeronautics Act which consisted of operating United States-European, United States-Alaskan, United States-Pacific Islands (Hawaii, Guam, Okinawa) operations on a regularly scheduled basis in defiance of frequency limitations (11 CAB 350, June 5, 1950).

In 1958: CAB denied Transocean authority to operate alleged charter services to Europe which were in fact illegal individually ticketed operations in violation of the Board's charter policy (E–12509, May 15, 1958, and E–12668, June 19, 1958).

In 1960: Transocean admitted it had (1) illegally exchanged air transportation for advertising and publicity in violation of section 411 of the act; (2) operated in violation of its published tariffs in violation of section 403 of the act; and (3) illegally exceeded the 10-flight schedule frequency limitation in violation of section 401 of the act.

This enforcement proceeding was not pursued after Transocean's bankruptcy.

Bankrupt.

Financial

As of September 30, 1961, Transocean reported current assets of $1,181,000, current liabilities of $16,657,000, and a net worth deficit of $18,079,000.

Transocean left uncollectible debts for fuel and oil due the Air Force totaling $108,497 and the Government filed a claim in bankruptcy for over $365,000 in bad debts.

Operations

Dormant for the 12 months ending June 30, 1961 (latest available period).

CAB action

In its 1959 decision in the large irregular air carrier investigation, the Board said:

"Transocean's recent financial reports show substantial losses in 1957 and its current balance sheet position, viewed as a separate factor, is not good. The conclusion we reach is that despite the effects of its recent losses, Transocean still retains much of its generally preeminent position in the supplemental field, and must still be judged a strong supplemental carrier in terms of overall operational ability."

U.S. OVERSEA AIRLINES

Compliance

In 1955: Consent cease-and-desist order for excessive flight frequency between New York and Puerto Rico, for holding out such service, for violating ticketing regulations, and for charging other than the fares specified in its tariffs filed with the CAB.

In 1957: Carrier ordered forthwith to permit CAB examination and copying of company records, which the carrier had refused (Order No. E–10959, Jan. 17, 1957.)

In 1958: Carrier violating the Board's charter policy by offering unfilled space on a charter to individual members of the general public through "what amounted to public solicitation" (D. 9680, Order No. E–12823, July 23, 1958).

In 1960: Consent cease-and-desist order for violation of section 403 of the act for exchanging transportation for advertising, publicity, and/or promotional goods and services (D. 10979, Order No. E–15999, Nov. 7, 1960).

In 1961: Cease-and-desist order for excessive flight frequency (routes: New York to Los Angeles, Oakland and Chicago; Chicago-Los Angeles; Los Angels-Honolulu) (D. 10979, Order No. E–17822, Dec. 12, 1961).

Finances

As of June 30, 1961, working capital was minus almost $1,900,000, earned surplus was minus more than $1,700,000, and net worth was minus over $1,420,000. This is far worse than the financial picture of carriers disapproved by MATS on financial grounds.

WORLD WIDE AIRLINES

Compliance

In 1954: Air carrier operating certificate revoked June 17 for a flight from Burbank, Calif., to Baltimore, Md. One engine was overdue for overhaul, needed to be changed, and the flight was by a wildcat crew when the regular crew refused to fly the trip because of the condition of the engine.

In 1956: Reinstatement of air carrier operating certificate refused by CAA because of past record of violations.

In 1957: CAB Trial Examiner recommended suspension of the carrier for dormancy during preceding 33 months.

He also noted that an alleged sale of the carrier by one Eric Pearson, to whom the CAA refused to issue an operating certificate, appeared to be a dummy purchaser, which would have left Pearson in hidden control. He noted that the stock was bought with a promissory note, no security was required, the company had no bank account or assets, the only finances available to it would be what might be available to the buyer from private sources, and that the buyer "has no financial resources himself." He noted also that Pearson arranged the "sale" within a 2-week period during which the hearing was recessed at the company's request, and immediately after a prior "sale" (not approved by the Board though such approval was required) had fallen through.

The new buyer, one Melvin Catlett, was previously chief pilot of a nonsked named "S.S.W." (see below). All in all, the controlling stock has been transferred seven times between December 1956 and March 31, 1960 (I.D., reopened hearings, D. 5132, May 24, 1961, p. 15).

In 1960: March 31, controlling stock passed to S. E. Spicher, the carrier's largest creditor. Spicher was previously president and principal stockholder of S.S.W., a supplemental carrier which became insolvent by July 1955, went bankrupt in February 1959, and was suspended by the CAB in September 1959 for failure to make refunds to passengers, and canceling flights and abandoning ticket offices without notice.

Safety

See above, 1954 and 1956.

Finances

March 30, 1959, carrier filed voluntary petition of bankruptcy.

As of June 30, 1961, a working capital was minus $62,500, earned surplus minus $238,700 (much worse than carriers rejected by MATS on financial grounds), and net worth minus $49,400 despite inflating the balance sheet by valuing its operating authority at over $100,000. CAB accounting policies do not permit assigning a dollar value to such authority.

As of September 30, 1961, the carrier owned no aircraft.

CAB action

Trial examiner's 1957 recommendation to revoke for dormancy dismissed by Board November 9, 1959.

U.S. TRAVEL SERVICE

Mr. MACK. 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 Illinois?

There was no objection.

Mr. MACK. Mr. Speaker, 1 year ago today President Kennedy signed legislation which I sponsored establishing the U.S. Travel Service in the Department of Commerce. Its job—to attract a larger number of visitors from abroad, and thereby help recapture some of the $1 billion deficit in foreign exchange caused by the heavy imbalance in our international tourist travel. This is a good time to ask how well that job is being done.

Considering that it is operating with the smallest staff of any executive agency of comparable stature—35 American and 22 foreign employees—USTS has certainly turned in an impressive amount of activity. In 12 short months the service has, among other things, established offices in 8 foreign countries; printed and distributed some 4.3 million pieces of promotional literature, in 7 languages, in 30 countries abroad; conducted a major advertising campaign in European newspapers; held a series of 6 regional meetings, with delegates from all 50 States, to promote better host facilities here at home; helped to make substantial improvements in Government procedures affecting travel from abroad.

But the real measure of Travel Service performance is in the volume of new visitors from abroad who have actually arrived in this country. During the first 4 months of 1962 the number of business and pleasure travelers from abroad increased by 16 percent over last year. In France, one of our principal markets, travel to the United States was up 52 percent. If this trend continues, 1962 will show by far the greatest number of new visitors to this country of any previous year.

Secretary Hodges, USTS Director Voit Gilmore, Deputy Director John Black, and the staff are to be congratulated on their share in bringing this about. On the first anniversary of the U.S. Travel Service I am proud to report to the Congress that this agency has exceeded my best expectation. Its record for the first year more than justifies continued support from the Congress.

THE 100TH ANNIVERSARY OF LAND-GRANT SCHOOLS

Mr. PRICE. 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 Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, July 2 is the 100th anniversary of the Morrill Act that brought into being the land-grant colleges and universities. I suggest that the occasion should make us think very deeply of the responsibility of the Federal Government toward higher education today.

The subject is controversial in our times. The subject of Federal Government responsibility toward secondary and elementary school systems is even more controversial. Members of the Congress hold strong opinions and their opinions naturally deserve our respect.

It would be the hope of this Member of the House, however, that the centennial of the Land-Grant Act might persuade us to take another look at the whole subject of education, and the

relationship that the Federal Government should assume.

A system that is a hundred years old, a system that President Lincoln endorsed with his signature on an act sponsored by Senator Morrill, of Vermont, is entitled to the presumption of merit.

The Federal Government under the Morrill Act granted public lands to the States and territories for the support of colleges devoted to "liberal and practical education in the several pursuits and professions of life."

The Federal Government, in short, used the public substance—the lands it controlled—to promote both practical and liberal education. Some people may call this a subsidy. Others will call it a wise employment of Federal resources. There is no violation of the free spirit when Government funds are used to promote the education of citizens.

You can walk around the campuses and nobody can tell the difference between a so-called private college and the land-grant school except for the age of the ivy, which has nothing to do with brains.

There are 68 land-grant institutions in the 50 States and the Commonwealth of Puerto Rico. They have produced not only master artisans and engineers, who are necessary, but also agronomists, teachers, philosophers, physicists, and diplomats. The distinction between the students and graduates of the private schools and the land-grant colleges is that the young men and women attending the latter would never have had the advantage of higher education if the Federal Government had not helped establish the schools. It is not pleasant to think that the potential of tens of thousands of young Americans might have been wasted for lack of opportunity. It seems to me an unhappy thing that the potential of other young people, equally capable and equally needed by our country, might be wasted now.

We do not have the leeway for this luxury of waste.

Mr. Lincoln signed a bill for Federal aid to higher education in the midst of domestic convulsion, and he was wise in his time in this as in other things. He found nothing discreditable in using Federal resources to meet a responsibility for the education of able young men and women, and neither should we.

I greatly hope that the 87th Congress of the United States will not adjourn before taking decisive action on bills to promote education.

AMENDMENT TO CONSTITUTION PERMITTING PRAYER IN PUBLIC SCHOOLS

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

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

There was no objection.

Mr. WHITENER. Mr. Speaker, I have today introduced a joint resolution proposing an amendment to the Constitution of the United States to permit the use of prayer in the public schools. This step is taken by me as a result of the unfortunate action of the majority of the Supreme Court of the United States in the case of Engel against Vitale handed down by the Court on June 25, 1962.

I have spent considerable time reading and analyzing each of the opinions written by the Justices in this case. After reading the full text of the various opinions written by the members of the Supreme Court in the school prayer case, I am appalled at the tenuous reasoning applied to the facts in the case by the six members of the Court who struck down the right of prayer in public schools. As a lawyer I am shocked. As a citizen of a Christian nation I am worried about our future if this decision continues to be recognized as the law of the land. As a public official I feel that I am compelled to give my best efforts to correcting the horrible wrong that has been committed.

I am extremely pleased that I am privileged to be member of the Committee on the Judiciary of the House since this measure will be referred to that committee for consideration. I hope that the chairman of our committee will be diligent in permitting the proposal to be considered by the full committee at the earliest possible date since I am satisfied that the measure can be favorably reported and acted upon in record time.

Unless we do give prompt and serious attention to this proposal in our committee and in the House of Representatives we will be flouting the will of the great majority of the people of our Nation who are properly demanding that the Supreme Court decisions be erased as a statement of the policy of our Nation. We can do no less than say to the world that we have been, and are now, and will be in the future, a nation of Christian people who believe in the efficacy of prayer and the propriety of prayer being uttered at all public occasions and public places where people assemble.

STRENGTHENING OF CRIMINAL STATUTES RELATING TO MAILING OF OBSCENE MATTER

Mr. WALLHAUSER. 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 New Jersey?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, the Supreme Court of the United States in one of its most unfortunate decisions has ruled that certain publications of particular interest to male sexual perverts and for the furtherance of perversion shall be allowed to be sent through the U.S. mails.

On Tuesday, June 26, the highest court in our land determined that this filthy mail matter was not obscene under our criminal statutes which provide certain penalties for mailing obscene material. The subcommittee of the Post Office and Civil Service Committee, of which I am a member, has conducted extensive hearings and investigations into the use of the mails to send pornographic, obscene, and other filthy material to our people, including teenagers, much of which is unsolicited. It is indeed unfortunate that the Supreme Court would construe present law in such a manner and to characterize this type of obscenity as merely "unpleasant, uncouth, and tawdry."

Certain publications are shocking to the decency of the average person. The propaganda of perversion contained in these magazines is completely repulsive to the dignity, morality, and nature of our society. I applaud Justice Tom Clark who wrote a dissenting opinion and I believe his arguments in favor of finding the publications as having violated the obscenity laws are convincing. I regret the failure of his colleagues on the Bench to join him in his opinion.

This decision of the Supreme Court points up the need for increased vigilance on the part of the general public, particularly parents and the teenagers. We must be aware that in all probability an increased flow of pornographic and obscene matter will be circulated through the mails. It is important for every person who receives this obscene material to send it to a postal inspector or to their postmaster so that appropriate action can be taken to prevent further use of the mails for such purposes.

I have introduced legislation which is pending before another committee of the Congress, the purpose of which is to strengthen the criminal statutes relating to the mailing of obscene matter. I earnestly hope that the Supreme Court decision will serve to inspire the committee to which my bill was referred to take immediate action. I am hopeful, too, that the committee having jurisdiction of this matter will seek the enactment of additional legislation to prevent another Supreme Court decision such as the one I have discussed.

May I assure my colleagues, Mr. Speaker, that our Committee on Post Office and Civil Service is aware of this serious problem, and we have taken and we are taking such action as is proper within our jurisdiction on this important matter.

THE WAURIKA RECLAMATION PROJECT

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

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

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, I am beginning a third consecutive week of intensive campaigning in the House for the Bureau of Reclamation project near Waurika, Okla.

This week the Senate passed the Waurika bill. As of the present the bill is in the subcommittee in this House.

I wish to take this opportunity to say that I appreciate the position of the gentleman from Texas, the Honorable WALTER ROGERS. My Texas colleague, as chairman of the House Subcommittee on Irrigation and Reclamation, is under a

constant barrage of requests from not only me but also other Members of Congress for projects in their districts. Mr. ROGERS, whose district borders mine, and I are longtime friends. I wish to publicly thank him for his generous remarks he made to Don Morrison, publisher of the Waurika News-Democrat, Thursday.

Also, the same appreciation goes to the gentleman from Colorado, the Honorable WAYNE ASPINALL. We do appreciate his position as chairman of Interior and Insular Affairs Committee. We wish to cooperate with him in every way.

I feel now that I can tell my constituents back home that if the slightest chance arises whereby the Waurika project can get hearings, my two fine colleagues will, along with the rest of the committee, give the Waurika project their time and consideration.

Wednesday, I talked with 28 of the 31 members of the Interior and Insular Affairs Committee. The majority of these members, both Democrats and Republicans, will favor this project. The only problem is getting it on the already heavily loaded calendar.

Earlier this week, Mr. J. M. Bullard, Duncan; Mr. Don Morrison, Waurika; and Mr. Milton Keating, Lawton, came here in the interest of promoting the Waurika Dam legislation. Thanks to my colleagues from Oklahoma, and to Mr. ROGERS, and to several other Members of this House, they have gone home in much higher spirits than when they arrived.

Colleagues, I wish to relate to you the story of an elderly colored lady in Waurika. She, in recent weeks like nearly 400 others, has had her home ravaged and her garden destroyed. This poor lady probably never had much opportunity for formal education. She is a pensioner. It is all she can do to make her financial ends meet. Can you not just imagine how she feels with her possessions gone and no real means of repairing the damage? None of us would like to have our homes ransacked and our lives and the lives of our families endangered.

Thus, I feel that we have only one choice in the case of the Waurika project. We must pass it. Our Government has oftentimes been called a government with a heart. I can only hope and pray that this concern for the general welfare be extended to cover these people affected by near annual floods.

Before concluding, I wish to recognize three fellow Oklahomans who are the ones who have done the fieldwork for this project. They are Mr. Mark Barclay, regional director for the Bureau of Reclamation, Mr. Frank Rabb, executive director of the Oklahoma Water Resources Board, and Mr. Ira Husky, chief engineer for the Oklahoma Park Board.

Mr. Speaker, I have continued a prolonged daily speechmaking exercise before this House. I have tried to bring the truth to the Members of this House. I will continue to seek passage of this legislation. I wish to conclude by asking each one here, "What would you write to answer this poor lady who has lost her belongings and her garden? What can you say?"

ANNOUNCEMENT

Mr. FASCELL. Mr. Speaker, rollcall No. 137 shows me as being absent and not voting. I was unavoidably detained on official business. Had I been present I would have voted "yea."

MORE AND MORE FROM LESS AND LESS

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. DULSKI] is recognized for 30 minutes.

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include an address.

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

There was no objection.

Mr. DULSKI. Mr. Speaker, not long ago Chancellor C. C. Furnas of the University of Buffalo was the principal speaker at Schoellkopf Medal address.

His topic was "More and More From Less and Less." His address has brought out many realistic factors facing our world today. I would like to bring his deliberation to the attention of the House.

The address follows:

MORE AND MORE FROM LESS AND LESS

(Schoellkopf Medal address by C. C. Furnas, chancellor, University of Buffalo)

Tomorrow morning there will be, on the surface of the globe, 120,000 more human mouths to be fed and bodies to be clothed and sheltered than there were this morning. As the earth's population rises above the present 3 billion mark, this rate of increase will likewise rise. The world is just becoming aware of the impact of this sociological chain reaction.

Despite the impending peril of the supersaturation of the world with human flesh, this paper will not deal with the merits or demerits of population control. It is quite in keeping with the purpose to point out, however, that we are already in serious difficulty because of many imbalances between distribution of population and the distribution of the resources for a reasonably acceptable human existence. Though world population will certainly level off at some future date, it is equally certain that for at least a generation or two it will continue to rise at an increasing rate. In addition, there is the massive "revolution of rising expectations" throughout the world, particularly among the previously submerged millions. The amount of goods and services which each individual now demands (and has always needed) is increasing even more rapidly than the population.

Multiply the population numbers by this per capita demand and you have something approaching an explosion. It is quite realistic to assume that by the year 2000, the world population will approach 6 billion and the total bona fide demand for goods and services will be at least 10 times that of 1962. If those demands are not met at least reasonably well by that time, we will almost certainly be in the midst of worldwide revolutionary turmoil which will far exceed anything we have witnessed thus far. This will be bad news for Western civilization.

Despite this unhappy prospect, there is no reason to do the ostrich act or retreat into a mental fallout shelter. Although, without question, there is some limit to the amount of goods and services which science and technology can provide for human existence, there is no firm evidence that we are yet approaching that ceiling. I will make no predictions as to the character of world problems in A.D. 3000, or even 2100 but I have a fair degree of confidence that scientists and engineers can arrive at reasonable solutions to the problems of physical existence for the year 2000 if we work hard and seriously—beginning now. We have not really faced up to the issue as yet and it is high time that we do so—as a professional group, as a nation and a civilization.

No thoughtful person would contend that the attainment of an orderly and peaceful world can be brought about solely by providing adequate goods and services for a comfortable physical existence. The problems of mass civilization involve several other most important variables. However, at this juncture in world history—as the suppressed millions are beginning to emerge—the supplying of the physical wherewithal for a reasonably decent standard of living stands as the paramount problem crying for immediate solution. This is clearly in the bailiwick of science and technology. This conclusion easily leads us to the exploration of our storehouse of civilization; i.e., our supply of natural resources, and how we have utilized them and how we might make them adequate for future needs.

One may broadly classify the basic resources necessary for human existence as: air, sunshine, food, nonfood agricultural products, energy, mineral substances, and water. Air and, more or less, fickle amounts of sunshine, we may assume, will always be with us and the supply and distribution are essentially unalterable. No one has yet been able to corner the market on them, nor have they been subject to tax. Let us hope they stay that way. The inadequacy of the supply of food and other agricultural products is serious in many parts of the world and truly acute in others but that is a subject to be dealt with by agricultural experts. The solution to the major problems of the energy supply is now becoming visible because of the approaching availability of controlled nuclear energy, first through nuclear fission and probably eventually through fusion. This discourse confines itself to the consideration of maintaining an adequate supply of mineral substances (metals and nonmetals) and of water which are basic and necessary for industry and for agriculture.

The discovery and winning of the values from the world's richer mineral deposits, through the utilization of relatively simple technologies, has served the human race reasonably well in the past but the cream has already been skimmed from the best of the world's mineral deposits and we are now rapidly arriving at the point of diminishing returns. Though the law of conservation of matter is comforting, it, in itself, will not solve the problems. Some scientific breakthroughs along with improved technologies must be forthcoming to meet the inevitable necessity of getting "more and more from less and less." This situation presents a tremendous new responsibility to tomorrow's chemists and chemical engineers.

In approaching this problem we should first review the ground rules which nature has provided. As a first approximation, matter is never destroyed. There is just as much iron, copper, zinc, silver, and gold on or in the earth now as there was a billion years ago and will be a billion years from now. Only the distribution, chemical combinations and concentration of the various elements change as nature and man bandy them around.

For the most part we have obtained our mineral substances from a relatively few spots in the uppermost crust of the earth. In the earlier days the search for deposits of desired minerals was largely empirical, often random, and usually motivated by avarice. The image of the old prospector with his

faithful burro, sustained by someone's grubstake and buoyed up by the certainty that tomorrow will be the day of the big strike, still has some tinges of romance of the wide-open-space type.

As knowledge has advanced, and methods and instruments for geophysical prospecting have been developed and large capital costs have become involved, prospecting and mining have become, for the most part, major corporate activities. Though this trend may have killed some of the glamor of the old frontier, it has led to more systematic, thorough and effective exploration of the earth's crust for mineral deposits. This in itself will ease the burden of future short supply to some degree for those parts of the world which are fortunate in their pattern of mineral distribution. But it will be of little aid to the less fortunate regions which are lacking in the richer deposits and which are isolated by excessive distances, or physical or political barriers.

There are some who feel that we are already at the end of our rope as far as supplying the mineral needs of the world is concerned. However before anyone concludes that Mother Earth, so early in our industrial history, has let us down in the matter of mineral substance, let us be sure that we have explored all the nooks and crannies. After all, about five-sevenths of the earth's surface is covered with the oceans and the seas. Could it be that there is something there which we might seek?

Explorers of the bottom of the sea have opened the door to an intriguing supply of some of our minerals. In the 1870's the British oceanographic vessel *Challenger* dredged up a number of strange looking nodules of high metal content from the floor of the Atlantic, Pacific, and Indian Oceans. For decades after that it appeared that only mythologists and Jules Verne were interested in the bottom of the sea. Serious exploration of that part of our unknown world really began with the International Geophysical Year of 1957 and 1958. During that period the vessels of the Scripps Institution of Oceanography (of the University of California) began scraping the bottom in earnest.[1] Their explorations were largely in the southeastern Pacific Ocean. From depths averaging about 14,000 feet the crew, by dredging and underwater photography found that great areas were more or less thickly covered with metallic-bearing nodules which were usually from 1 to 9 inches in diameter. The maximum metallic content of the samples was 50 percent manganese (very valuable in steelmaking), 2 percent cobalt, 1.6 percent nickel and 1.9 percent copper. The average concentrations of mineral values were fairly close to these maxima.

The investigators estimated that this one area of the oceans has a minimum of 200 billion tons of these high mineral-bearing nodules, just lying there waiting for the harvest. The gross recoverable value of the material is about $60 per ton of nodules at the present prices. If these estimates are correct, the economic value of the nodules in this one segment of the Pacific is some $12 trillion. Perhaps we should begin thinking about paying off our national debt and settling our international trade balances in manganese nodules rather than gold.

No one has yet seriously gone about the business of thoroughly prospecting and recovering the minerals from this strange new source. The cost of recovery from deep waters far from the shore will certainly be high but, sooner or later, clever engineers will surely develop a technology which will make the operation economically feasible.

But to whom do these new mineral deposits really belong? The high seas have long been considered international, with no sovereign rights for any one nation. If those watery mines prove to be so valuable that several nations will desire them, there will undoubtedly be some internation disputes. If such arguments are to be settled without open warfare, the arguments must be considered by some neutral body. Should cases go to an admiralty court, or will this be something new for the United Nations? There is already a large body of discourse on the necessity of setting up a body of international space law; will it be necessary to establish a corresponding sea-bottom code? It appears that there may be some interesting times ahead as we try to explore these matters in depth.

Even more interesting however is the question of how these deposits got there in the first place. The distribution of radioactive isotopes in these manganese nodules indicates that some of them are millions of years old. They have apparently been formed by extremely slow precipitation processes of these metals which had previously been dissolved in minute quantities in surface runoff water. Are there substantial amounts of other valuable minerals on the ocean floor that may be waiting for discovery? Presently available evidence does not indicate that there are but can we be sure? May there not be new worlds for the geochemist and the geophysicist to explore? Should we start developing a whole fleet of weird Piccard bathyscaphes so the oceanographers can scoot around in the murky darkness of the sea bottom all over the world to see what the slime and goo at the bottom of the sea really does contain? These questions are phrased merely to emphasize that we have probably not yet come to the end of the possibilities of new types of exploration for mineral substances.

Even though these nodule deposits turn out to be as plentiful as estimated and even though harvesting methods be perfected, they will by no means fulfill all the anticipated mineral needs of the near future. The metals they contain are important but they are limited in number and would probably not be available to all peoples. A continuing industrial civilization will need much more than this. It appears that one of the greatest gains in maintaining adequate mineral supplies in perpetuity will be in improved or new technologies of recovery of the desired material from the readily available ores. The criteria of commercially usable ores for different materials is rather revealing.

For American practice, at least, a usable iron ore has to contain 50 percent or more of iron. In contrast, an ore which contains 1.5 percent of copper is acceptable as a source of that metal. For silver, the corresponding figure is about 0.04 percent. The selling price of copper and of silver are of course many times that of iron, which justifies the use of the lower grade ores, but the record does show that processes are available or can be developed to recover minerals from low grade sources.

Adjusting a technology to use lower grade material sometimes could lead to dramatic gains in the available supply. For instance, in the original deposits of the Lake Superior region there was about 100 times as much ore bearing 35 to 50 percent iron as there was of ore containing 50 percent or more of the desired metal. A relatively small shift downward in the required richness of the ore could thus lead to a tremendous increase in the available raw material. Most of the high grade (over 50 percent) iron ore has now been mined from that region. So, extensive use is being made of "beneficiation" operations, that is the separation of the mineral from the extraneous material such as the worthless rock or dirt usually known as gangue. Many ingenious methods are used for these processes of concentrating the various minerals: grinding, washing, gravity separation, roasting, air elutriation, magnetic separation, or flotation of fine particles or detergent froths. A particularly effective method for the low grade taconite iron ores of the Lake Superior region was developed at the University of Minnesota. These very hard siliceous ores containing 25 to 35 percent iron are ground to extreme fineness and the particles of iron oxide are magnetically separated from the siliceous bits. The iron oxide powder is then sintered to produce agglomerated nodules that are usable in the iron blast furnace. This beneficiated ore is now being employed extensively on the Niagara Frontier and its use is spreading.

A more telling example of the potential gain in possible new technologies for utilizing lower grade materials is found in the case of aluminum. The present technology for producing aluminum metal requires a rather highly selected aluminum ore, bauxite (aluminum oxide dihydrate) containing 55 percent or more of aluminum. This special requirement greatly restricts the aluminum ore supply and location of recovery plants. Yet all soil—particularly clay—contains substantial amounts of aluminum. Any householder's back yard contains ample amounts of aluminum for his own use for a long time, provided there were a feasible process for recovering that metal from the subsoil of his rose beds. There have been repeated attempts to develop that magic aluminum-from-clay-process but thus far none have been economically feasible. May the young scientists and engineers keep trying. If they should be successful, they would undoubtedly be world benefactors of the first order.

To pursue the theme of "more and more from less and less," to its logical conclusion, we should look into the situation of some of the rare but very valuable minerals. Ordinary granite, which makes up a large proportion of the rocks around us contains, on the average, about 4 parts per million of uranium and 12 parts per million of thorium. If this uranium and thorium could effectively be extracted and used in a nuclear power reactor, the amount of these two elements obtained from each ton of granite would produce energy equivalent to the burning of some 50 tons of coal.[2] Thus the potential raw material for essentially an infinite energy supply for future civilization is almost literally under the feet of everyone—provided we develop enough cleverness to use it.

This rosy idea admittedly smacks of the theme of R. H. Conwell's famous lecture "Acres of Diamonds" of a generation ago—which dealt with the values we can find all around us, if we have proper curiosity and mental acumen. Hard-shelled pragmatists consider that Conwell's theme is so much inspirational hogwash. Probably they are correct most of the time but not necessarily in all cases.

Before you assume that this uranium-thorium suggestion is pure fantasy, note that it is being taken seriously to the extent of exploration of methods of extracting thorium from ordinary granite. In its latest report on atomic energy research, the Atomic Energy Commission states that the Oak Ridge Laboratories have been making recoveries of thorium oxide from granite samples from the Pikes Peak, Colo., region.[3] They report that the cost of extraction of thorium from granite containing 12 parts per million is $400 to $500 per pound. From higher grade rock containing 20 to 50 parts per million thorium might be recovered for $100 to $200 per pound.

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[1] Mero, John L. "Minerals on the Ocean Floor," Scientific American, 203, December 1960, p. 64.

[2] Brown, H., J. Bonner, and J. Weir, "The Next Hundred Years," Viking Press, New York, 1957, p. 111.

[3] "Atomic Energy Research," a special report of the Atomic Energy Commission, December 1961, pp. 155, 156.

The price is too high but the idea is right. The methods of extraction used were of the standard classical chemical variety. In order to achieve low-cost recovery a new, unorthodox approach may be called for.

Suppose some clever researcher found a highly selective solvent material which would directly pick out the relatively few molecules of uranium and thorium from highly pulverized granite and thus isolate and concentrate these power-producing materials for reactor use. Such a basic discovery might well lead to one of those acres of diamonds.

But, contends the practical man, there is not and never will be any magic, selective solvent such as that suggested. Perhaps not a solvent in the ordinary sense, but perhaps there are other ways to approach the problem. Go back to nature and consider the oyster—even as did Lewis Carroll. No one will question the fact that the oyster is a very stupid fellow, but by some chemical process of which we intelligent humans are to date entirely ignorant, the oyster, like a pickpocket in a mob, is able to select the copper-bearing molecules, which are present in sea water at a concentration of about one part per million, and concentrate them inside its own body structure by about a thousandfold. This copper is used in the oyster's own peculiar cardiovascular processes and hence is necessary for its survival.

Striking as this result may seem to be, the oyster is not a particularly outstanding performer in this business of getting more and more from less and less—that is concentrating necessary minerals from very dilute solutions. Many of its compatriots in the society of sea organisms do a great deal better. The lobster has a concentration of iodine in its interior structure which is several thousand times that of the surrounding sea water. The slimy and repulsive sea cucumber builds up a concentration of 10 percent of vanadium in its respiratory tract.[4] This is a concentration increase of something like a millionfold. Recently a paper from the Marine Biological Association Laboratory of Plymouth, England, stated that researchers have found appreciable quantities of the important metal, niobium (often called columbium) in the flesh and blood of ascidians,[5] the family of sea animals represented by the familiar skate. Niobium has recently achieved great importance in the hardening of high quality steels and in making jet-engine blades corrosion resistant and more useful at very high temperatures.

The ability of living organisms to build up concentrations of various elements is by no means limited to the ones I have mentioned. It seems almost to be a universal characteristic. We do not need to go to the sea for examples. Each of you has one close at hand, namely, your own body. By what process does your own biological equipment take the minute traces of iodine in your food and build them up by some one-hundred-thousandfold in your own thyroid glands? Or, how about the iron in your blood, or the calcium in your bones and teeth? These are all biochemical reactions which literally pick one molecule out of the multitude and build it into a new, concentrated chemical structure for biological purposes. Despite all the research that has been carried on in biochemistry, we have to date but very little understanding of the true kinetics of reaction of the individual molecules which are involved.

Though man does not yet know how the oyster, the sea cucumber, or his own thyroid gland performs these tricks of extreme concentration, he has occasionally become very interested in other processes for recovering mineral values from very dilute solutions, particularly sea water. Of course, ordinary salt has been obtained by the evaporation of sea water for thousands of years, but I am speaking of the much less plentiful materials.

One of the earliest attempts at recovery of dilute materials goes back to the defeat of Germany in World War I. You may recall that Germany was forced to agree to the payment of a very large indemnity in gold. For a while, at least, this obligation was taken very seriously. The eminent German chemist, Dr. Fritz Haber, thought there was some possibility of recovering the required gold from sea water. He carried on various oceanographic investigations and, although many of his records of analysis of samples carried the notation, "nichts zu finden," he did find the average concentration of gold in sea water to be about 0.004 micrograms per liter. This is very small, indeed, but there is a little bit of gold there and there is a great deal of ocean. There was plenty of gold available for paying the indemnity if it could just be picked out of its watery storehouse. Haber tried to devise a method for recovering metallic gold from these very low concentrations, but he was never successful. The indemnity was never paid.

Gold has always held a unique fascination for men—particularly gold from sea water. A very interesting proposal was made several years ago by the late Dr. Colin Fink, then head of the division of electrochemistry at Columbia University. By very careful control of electrical potential gradients, Dr. Fink had found that it was possible to plate out selectively almost any desired metallic element from an aqueous solution. He made the suggestion—perhaps seriously, perhaps not—that ocean liners, by maintaining the appropriate potential gradient between the propeller shaft and sea water, would be able to plate out substantial amounts of gold on the propeller blades during every ocean crossing and thus perhaps pay operating expenses. I do not think anything ever came of the idea, but it is an interesting speculation.

It will be refreshing now to turn to a success story. In the 1920's the demand for the rather noxious and corrosive element, bromine, increased very sharply because it was useful in the process of making ethyl fluid for antiknock gasolines. Up to that time the source of bromine had been brines from wells in both this country and Germany, but these sources were proving to be inadequate. After a great deal of experimentation, a successful production plant for recovering bromine from sea water went on stream about 30 years ago at Wilmington, N.C., operated by the Dow Chemical Co. Pure bromine was recovered at the rate of about 50,000 pounds per day from sea water. The concentration of that element in the sea water from which it comes is between 40 and 60 parts per million. This, however, is not a biochemical process. The bromine is merely replaced from its compounds by the use of a similar element, chlorine. This is a profitable operation because bromine commands a considerably higher market price than does chlorine. It is a straight chemical process, well controlled and effective, but it does not have the concentrating potential that many of the living organisms display.

As an extracurricular activity during the operation of this bromine plant, the Dow chemists did extract gold from the processed sea water. The result was a highly visible, intriguing little nugget that proved that Dr. Haber was right—that there is "gold in them thar waves." However, the recovery cost was considerably greater than the value of the metal. So, the experiment was abandoned after it was proved that it could be done.

During World War II, the ocean also became and still is a major source of supply of the well-known metallic element, magnesium, which is present in sea water to the extent of about one thousand parts per million. Here again, however, the process is essentially one of replacement—well known to students of freshman chemistry. Calcium from limestone or oyster shells is used as a replacing element to release magnesium compounds which are later reduced to metal.

Some years back I was guilty of exploring another type of operation for concentrating metals from very dilute solutions. With the aid of graduate students I began exploring the feasibility of using base-exchange reactions as a means of concentrating metals from dilute solutions. Base-exchange materials, or zeolites, are used in water softeners and hence are fairly common household materials.

Dilute solutions of copper sulphate were passed through a bed of zeolite. In passing through this zeolite bed, the copper ions would be absorbed, or would enter into a loose chemical combination with the compounds of the solid zeolite, and be retained on the surface. The bed would then be regenerated with sulfuric acid. Very substantial increases in concentration were obtained in this manner. Starting with dilute solutions (0.005 normal copper sulphate), increases in concentration of some 220-fold in one stage were obtained.[6] This sounds like a good start. If such a process were applied to a concentration operation, under idealized conditions, one pound of sulfuric acid which would be used for the regeneration would bring about an increase in concentration equivalent to the evaporation of 4,200 pounds of water. It would seem that there should be some practical possibilities here.

It had been my intention to pursue this research further with the idea that a successful process might be developed for the recovery of both copper and zinc from brass mill pickle liquors but, with the advent of World War II, many things happened which prevented my returning to this research field.

During the past two decades, there have been some quite marked advances in the synthesis of these base-exchange zeolites and they are used for many specialized purposes. For instance, a large part of the distilled water used in laboratories is now produced by the use of two different zeolites which remove first the positive and then the negative mineral ions which are found in tapwater. Zeolites are also used for recovery of certain specialized metallic elements in some processes, but not on large scale. They are also used in research for the separation of some isotopes.

The Atomic Energy Commission reports exploratory work on using base exchange materials for the separation of plutonium, neptunium, and thorium from reactor fission products.[7] It is anticipated that this will result in improved methods of reprocessing reactor fuels and of waste disposal. Hence there are several specialized uses of the base exchange materials but as far as I know the process is not yet being used for the large-scale separation and concentration of the more common metals.

These examples of recovery of metals from dilute solution by conventional methods have some value and perhaps a bit of interest but except in the cases of bromine and magnesium, they appear to have a limited future in the practical exploitation of that great mine—the sea.

It is difficult to avoid coming back to the sea. Some 60 of nature's 92 elements have been identified in it. The ocean waters hold at least 15 billion tons of copper, 7 trillion tons of boron, 15 billion tons of manganese,

[4] Furnas, C. C. "The Storehouse of Civilization," Bureau of Publications, Teachers College, New York, 1939, p. 25.

[5] Carlisle, D. B. and L. G. Hummerstone, "Nature," vol. 181 (1958), pp. 933 and 1002.

[6] Beaton, R. H. and C. C. Furnas, Ind. Eng. Chem. 33, p. 1500 (1941).

[7] Atomic Energy Research, ibid., p. 155.

20 billion tons of uranium, half a billion tons of silver, and 10 million tons of gold.[8]

There is enormous mineral value there but only the more lowly living organisms have, as yet, found the way to concentrate them from extremely dilute solutions in a highly selective manner. With our vast knowledge of physics and chemistry, why have we not been able to acquire this knowledge? There may be a logical answer. We have not yet developed a technique in chemistry to deal with truly small quantities, that is, individual molecules.

A great deal is known, of course, about the chemical composition and physical character of hundreds of thousands of substances, from materials as simple as water to the very complex body proteins, in their stable, or static, condition. Also a great deal of knowledge is available about the gross, or overall, results when chemical reactions take place between vast numbers of molecules. But surprisingly little is exactly known about what actually takes place in the minute, fine structure of individual units. Methods have not been developed to separate the individual molecules from each other and observe how they act as entities. We only see through a cloud—indirectly and somewhat darkly.

The chemist who wishes to know how individual molecules behave in chemical reactions can have sympathy with the astronomer who endeavors to acquire knowledge about the solid surface of the planet Venus. Venus is perpetually shrouded with a thick cloud layer. No human eye has ever seen its surface nor has any photographic plate ever recorded it. Astronomers, by various observations, have learned a great deal about Venus—its size, weight, density, temperature, and the composition of the cloud layer—but no one has any direct knowledge of what actually goes on, on the body of the planet itself. Analogously, the chemist cannot determine what goes on in, or at, individual molecules, because he always has to deal with so many of them that individual actions are lost in the mob.

Why has it not been possible to observe individual molecules in action? Essentially because they are extremely small. For instance, a very minute and almost invisible particle of fog, 1 micron (a millionth of a meter) in diameter contains about 10 billion water molecules. That number is several times as great as the entire human population on the Earth. But chemists, despite the refinements of their science at the present time, are not able to study the reactions in a sample as small as that. Even with the most modern methods, they usually deal with samples that contain at least 10^{14} to 10^{15} molecules. Hence, any chemical reactions they study are the gross effect of the interaction of a tremendous number of molecular entities. It might be that a new field of exploration would unfold if the chemist could find methods of observing the reaction between just two—or at the most a very few—molecules. Perhaps then he could arrive at a better understanding of how the oyster, in its stupid, plodding way, reaches out with its chemical arms to pick up just the one molecule in a million which its digestive system desires.

Such a suggestion would be the rankest kind of fantasy were it not for the past success in a parallel science—nuclear physics. The understanding of the structure of the atom and the whole general field of nuclear physics made relatively little, solid progress until the researchers were able to observe the effects and the reactions of, literally, individual particles. The Wilson cloud chamber, the Geiger counter, the tracks on the photographic plate, the various scintillation counters were developed into tools for observing the actions of the individual, minute basic particles, such as electrons, protons and neutrons, which make up the structure of individual atoms. After those tools were at hand, progress came very rapidly, but as long as the physicist's work had been confined to dealing with 10^n particles in individual samples (^{n} being very large), progress was very slow. The chemist is still in the state of dealing with tremendous numbers of molecules in even his smallest sample and hence, he is not able to arrive at that understanding of the actions of individual molecules which is probably necessary if we are ever going to be able to first imitate and then improve on nature in this pickpocket (highly selective) chemistry.

Is there any hope that the chemist may devise an experimental tool which would be analogous to the great breakthrough of the nuclear physicists a few decades back? I am not sure there is but I do have a suggestion.

During the past few years the physicists, in connection with studies of atomic and molecular resonance, have developed the technique of "molecular beams." In a molecular beam, one observes the effect of the electromagnetic radiation on the trajectory of the molecule. Some molecules can be detected with a sensitivity of one per second, and the observation of a few thousand a second is easy.

Would the mere detection of individual molecules open the way to a better understanding of detailed kinetics of the chemical reaction of individual, or a few, molecules? I am not qualified to answer, but it certainly would be interesting to find out. There might be something there.

That suggestion may merely be fabricated from moonbeams and hence should not be taken too seriously. The modern-day experts in the fields of chemistry, biology, biochemistry and physics, if they get together and become really excited may eventually find some better way of achieving the basic understanding of the chemical kinetics of the highly selective, concentrating reactions of living organisms. It may be that a breakthrough will come through refinements in the use of radioactive isotopes, which have been very fruitful as molecular tags in the study of the kinetics of photosynthesis, for instance. I can visualize a number of top-notch Ph. D. theses and perhaps a Nobel Prize or two resulting from serious explorations in these fields.

There is a hopeful sign that the interest seems to be growing. A recent article[9] dealing with prosaic inorganic chemistry speaks of the "neglected area of biological inorganic chemistry. The role played by metals in many biologically important compounds is well known, but little fundamental work has been done. * * * Additional knowledge would bring us closer to the understanding of many catalytic processes."

However it is acquired, it seems almost certain that when we do grasp the basic knowledge of the highly selective biochemical reactions I have mentioned, new doors will open for getting more and more of our necessary minerals from less and less concentrated sources. Not only will geophysical exploration be improved, technologies will be developed for recovery of valuable materials from low-grade ores, from the bottom of the ocean, from ordinary rocks, from brackish landlocked waters and from the waters of the sea. Economical methods will be devised for recovering waste materials which are now dumped into streams or into the ground and which seriously pollute our fresh water supplies.

Be it emphasized that in suggesting that we learn how living organisms perform these chemical tricks, I am not suggesting that we should merely try to duplicate nature. There would be no point in the exercise unless we could greatly improve on nature. It is almost a truism that living organisms are temperamental and delicate and that their processes are slow and inefficient. Nature doesn't need to be efficient; neither does it need to be in a hurry. After all, what is time to an oyster or an ascidian? A successful chemical plant may need to accomplish a result in seconds to which a sea cucumber might devote months.

Chemists have improved on nature many times—witness the classic examples of syntheses of anilin, vanillin, vitamin C or thyroxin—and certainly if we learn the minute kinetics of natural metal accumulation there will be a good chance that we can develop practical industrial processes.

Since this is a speculative paper, it is in order to visualize the type of mineral recovery plant which might be commonplace along our ocean shores within a relatively few years after we learn the basic secrets of the oyster.

It will be a relatively large structure, but clean and quiet. There will be conduits handling a large flow of sea water. There will be the expected array of pipes and pumps and various electrolytic cells, columns, tanks and vats. The apparatus will cluster around a very substantial nuclear powerplant which I assume will be utilizing the fusion process, that is the nuclear reaction using heavy hydrogen (deuterium) to produce helium with a great release of energy. This plant will produce all of the sensible heat and electrical energy required and it will be self-perpetuating for it will obtain its fuel—deuterium—from the sea. This heavy hydrogen is present in all water (H_2O) in the ratio of 1 part of deuterium to 5,000 parts of ordinary hydrogen. Hence the supply is essentially infinite.

From this plant, by the clever processes yet to be discovered, will come various valuable minerals: magnesium and bromine of course, plus uranium, copper, cobalt, nickel, boron, silver with a touch of gold, potassium plus all the sodium chloride (common salt) which you might wish. A copious supply of fresh water will be the principal byproduct.

From the very nature of the beast, it is almost certain that the winning of many of the minerals from the sea can be economically feasible only when there is a multiproduct system of continuous complementary processes such as suggested above. This is going to require new technologies and probably new business combinations. It is to be hoped that antitrust laws do not interfere.

Since this is the occasion of the Schoellkopf Award some may contend that the nebulous and "way out" tone of this paper is not in keeping with the well-known practicality of the early Schoellkopfs. I doubt if that is true. Jacob Schoellkopf, Sr., was an imaginative pioneer. He came to Buffalo in 1841 when it was still truly the frontier. He successfully established and guided new businesses including hydropower.

Jacob Schoellkopf, Jr., followed his father's footsteps in bold exploration in another new world—the chemical industry. By research and development he outdid the ingenuity of the German dyemakers (who had held a world monopoly until that time) and established the parent company of the present National Aniline Division of the Allied Chemical Corp.

It was Junior who established the Schoellkopf medal in honor of his father with the hope, I am sure, that its annual awarding would stimulate new thinking and exploration into new fields. Though they might justifiably criticize some of my conclusions and speculations, I am confident the Schoellkopfs, father and son, would have been pleased to know that there are still new worlds to be explored and new methods to be developed to promote man's progress.

[8] Mero, John, ibid.

[9] Lewis, J., and R. S. Nyholm, "Modern Inorganic Chemistry," Chemical and Engineering News, Dec. 4, 1961, p. 102.

To summarize: The very rapidly rising world population with its attending increased per capita demand for goods and services is coming at a time when we are beginning to face some severe mineral shortages. The sociological as well as economic situation will become extremely serious unless within the generation, we develop distinctly new methods of getting more and more from less and less—from the earth's crust, from the bottom of the sea, from ocean water itself, and from brackish inland lakes.

There is a good chance that these needs can be met, provided there is an immediate, serious, multidisciplined attack by chemists, physicists, biologists, biochemists, and engineers on the multitude of problems involved. It is particularly important that truly basic knowledge of the kinetics of many biochemical processes of living organisms be acquired and applied to distinctly new chemical engineering and metallurgical processes. If these bold deeds are accomplished, we may look forward with renewed confidence to the well-being of our children and our grandchildren.

Admittedly there has been much speculation in this paper—but that is the stuff of which progress is constructed. To quote an eminent British scientist, A. V. Hill, "It is dangerous to speculate too far, but it is foolish not to speculate at all."

ADVANCING BASIC EDUCATION

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. NIX] is recognized for 30 minutes.

Mr. NIX. Mr. Speaker, although I propose to deal today with those bills concerned with advancing basic education for pupils enrolled in public schools and for adult illiterates, scheduled to come before the House soon from the Committee on Education and Labor, I wish to note there are several other education bills in the package to be presented by this committee which are of equal significance to the Nation's welfare. Acting on the suggestion from the President that education of our youth is our first line of defense, the House Committee on Education and Labor has worked hard and diligently during this session on education bills for accelerating education throughout the country for all people. If enacted, these bills could raise achievement and production levels while promoting consumer capacity and the moral integrity of our developing youths and adults.

I am informed this package will include among others the following bills and related bills of major importance in our changing times:

H.R. 10180—the Educational Finance Act of 1962: This bill provides a basic Federal allotment under the supervision of the Commissioner of Education to each State to assist in defraying cost to States and local communities where mounting enrollments, classroom and teacher shortages, population shifts, and new demands upon elementary and secondary schools have created a need for an accelerated rate of improvement in public elementary and secondary education.

H.R. 10143—the Adult Education Act: This bill proposes to assist in providing necessary instruction for adults unable to read and write English or with less than sixth grade level of education, through grants to institutions of higher learning and for the training and teaching of supervisory personnel, through grants to States for pilot projects, improvement of State services and programs of instruction. The purpose of the bill is to initiate a program of furnishing instruction to adults who are unable to read and write English or whose achievement level of education is below the sixth grade with the view of making them less likely to become dependent on others, for increasing productive and profitable employment among them and for making them better able to meet their adult responsibilities.

H.R. 10145—improvement of quality of teaching in elementary and secondary schools: Emphasis in this bill is placed on the urgency of new teaching methods and instructional materials for persons engaged in teaching or in supervising teachers in elementary and secondary schools, in areas in which it is found that there is widespread need for improvement in the quality of instruction. The program set forth under this bill would develop new types of elementary or secondary instruction or programing, seek to encourage excellence in education, aid in the support of projects to improve the effectiveness of public elementary and secondary teachers through preservice, internship, and inservice programs, assist in the improvement of State educational agencies and supervisory or related activities, including research, development, evaluation, and the promotion of improved instructional practices in public elementary and secondary schools and including the administration of the State plan.

Both the House and Senate version of bills on "quality education" are intended to stimulate improvement in teaching by helping State and local school agencies bolster their teacher-training programs and affording teachers opportunities for advanced study. The Commissioner of Education is authorized to arrange and schedule with colleges and universities for institutes in the basic curriculum areas. Although Federal support of the program is routed through the Department of Education and the Commissioner is designated to work with State and local agencies, the bill expressly provides that Federal control of education is prohibited.

As passed by the House Committee on Education and Labor, I am informed, the quality education bill, unfortunately, had removed a small program of grants to colleges to improve their programs for training teachers for implementing broadened public school curriculums throughout the Nation. But, fortunately, this deletion left standing a program offering 6-week summer training institutes for elementary and secondary school teachers with $23,850,000 provided for the first year, $40 million for each of the next 4 years.

Many factors in recent years have contributed to the disproportionate share public education has claimed of local and State budgets, chief among which are: the spiraling school population, the movement of families from rural to urban areas, and the increasing cost of school construction and instructional materials. Consequently, Federal assistance is urgently needed to maintain the current standard of operation and is commanded if elementary and secondary school programs are to be strengthened in keeping with demands of this era of automation.

The tragedy of illiteracy daily becomes more serious, for technical advancement and communication and transportation exact refined techniques and delicate precision and require an ever-enlarging vocabulary in order to qualify for ordinary gainful employment and to participate in everyday human relations. Current urban life offers little of a constructive nature that one can do either for a living or for recreation, if he cannot do more than look without understanding or interpreting what he sees or reads.

In 1940 1 out of every 10 Negroes in the country had never attended school, reported Commissioner McMurrin to the House committee during the recent hearings on the adult education bill. By 1950, he said, the ratio had dropped to less than 1 out of 25. Today, he added, the number of persons never having attended school, except for special cases, is extremely small or practically nonexistent. Recalling two surveys by the Office of Education in 1948 and 1950, the Commissioner noted that of an estimated 90,000 adults enrolled in literacy classes at that time an estimated 60,000 or two-thirds that number were of non-English-speaking background.

In other words—

He said—

of the little that was being done the major part was focused on the needs of immigrants.

Moreover, he continued, such literacy instruction as did exist took place almost exclusively in cities having populations over 25,000 with almost nonexistent programs on rural areas where there were large concentrations of illiterate persons.

On first observation the above registered decline in the number of Negroes who have not attended school appears to represent general progress in public education, but upon closer scrutiny the apparent positive effectiveness of mass education is altered by an awareness that the pace is too slow to be consistent with the demands of the times and, second, the revelation is further marred by the fact that whereas formerly illiterates were capable of producing in a semisubsistence economy, these persons are helpless and often suffer complete loss of motivation because of academic handicaps in urban society.

Displacement and mobility of people, especially of this element of the population from the farm to the city—illiterate and untrained—places a staggering financial burden on already overtaxed cities and an increasing responsibilty is ultimately passed on to the Federal Government for the welfare of a growing number of families unable to provide necessities. Again because such families usually ignore State lines settling wherever there is an attraction, States of origin cannot be held entirely responsible for them nor can the city or State of

their destination always absorb them without Federal help in adjustment.

Today we may proudly boast that except for special population such as migratory families called pastoral in underdeveloped countries or nomadic in past history, virtually all children who do not suffer from a pronounced physical or mental handicap attend school. But, there is, nevertheless, a strange phenomenon in the face of all this. In spite of the fact that one of the major causes of illiteracy in the past has been substantially eradicated, as reported by Dr. McMurrin, yet, as he complains, the fact that as many as 1 million of our students, including tens of thousands of very able minds, leave school each year never to return, is a problem of disturbing proportions and deserving of continuing national concern.

Presenting to the committee a graphic chart demonstrating that adult illiteracy is highly correlated with the school dropout problem, Dr. McMurrin concluded that while the percentage in adult population with eighth-grade education or less steadily declines, that estimates point up the fact that during the next 20 years only a moderate decline may be registered in the proportion of high school students who drop out before they complete their high school education and thus must have supplementary education to qualify for employment and worthwhile citizen participation.

I consider Dr. McMurrin's dire prediction of the illiteracy trend as modest, for if reports issued by some school administrators of the poor achievement test-findings of public school pupils be accurate, we shall soon witness a rise in illiteracy in this country in sad contrast to a trend toward the eradication of illiteracy in the Soviet Union, in Nigeria, in India and other formerly backward nations. In short, unless some reforms are instituted in the teaching of the basic fundamentals on the lower levels or in the primary grades and these guaranteed by financial support from the Federal Government, we may soon be forced to acknowledge the inescapable fact that ignorance is spreading among the masses at home while enlightenment dispels darkness in Asia and Africa where people are rapidly learning to read, write, spell and figure in some cases with Peace Corps technicians furnished by us.

I am in heartiest agreement with Dr. McMurrin's conclusion that our problem today is not a lack of opportunity for any schooling, but a lack of proper schooling or schooling of worth. Unless some action is taken to alter the trend through the introduction of content or quality in the public school curriculum, it may ultimately be reported of this era that we were overschooled but undereducated. What other conclusion could one draw after reading in the New York Times June 13, 1962, that "one in three pupils enrolled in the city's junior high schools is retarded two or more years in reading," with the added note that "one in seven pupils in the division, which covers the seventh, eighth and ninth grades, cannot read at the fourth-grade level." Thus of a reported 168,000 junior high pupils more than one-third or 62,000 were found to be 2 or more years behind and 24,000 or one-seventh of that number were practically not reading at all. This condition prevails in New York and has been similarly announced by school administrators of several other school systems in spite of the most elaborate system of public school education in the world.

Although the genuinely uneducable represent only about 1 to 2 percent of the adult population and the untrainable possibly less, statistics such as the above reveal a shocking condition of manmade retardation of otherwise normal or average and above average minds. The rising spiral of illiteracy of such vast proportions—definitely not traceable to mental disease or serious mental retardation—has become a matter to which the Federal Government must address itself in its own interest. According to a report brought to my attention recently and put out by the National Education Association, in 1959 25.3 percent of New York State's selective service registrants failed the mental test. Thus, because of defective educational programs, our national defense establishment was unable to utilize the military potential of every fourth male.

In our public schools nationally we are experiencing educational blight when tens of thousands of our youths leave school each year never to return usually with all motivation killed by the classroom and unable to read sufficiently well to fill out an application blank or to follow directions or transmit written orders into action. Of most serious concern is the fact that for the masses enrolled in the public schools, there is inculcated hostility toward education in addition to the destruction of motivation.

There is less hope of these unfortunate children being pulled out of the doldrum of functional illiteracy than for those youths of underdeveloped countries who have never been exposed to school. Their situation is more to be pitied than that of adults among us who have never attended school. In spite of pleas of educators and pressure groups for more and more money to do more and more of the same kind of educating at great cost to local and State budgets, for "remedial" personnel, for "testers," counselors, mental health clinics presumably to combat the full effect of it all or to rehabilitate a generation damaged by these conditions, little, if any, change in the situation is noted.

Without radical reforms in the methods of instruction and emphasis in school program as well as the philosophy of education for the multitude to wipe out educational blight, "school illiterates" will become a hopeless drag on society, and illiteracy may rise above that of the colonial era and the Reconstruction period.

Writing in the Saturday Evening Post last March, Judge Mary C. Kohler, of the President's Committee on Youth Employment, noted that one of the weakest links in our educational chain is the failure of present methods to reach about 20 percent of big-city children. They never learn what they could even of the three R's. While this reported 20 percent or one-fifth of the total pupil population represents a disturbing loss to any society, of frightening significance is the awareness of the fact that this ratio of the whole is largely concentrated among Negro and Puerto Rican residents in New York City with a sizable sprinkling of Anglo-Saxon southern whites as revealed by a leading journal last year—and thus may actually consist of a majority of this group.

The question needs be raised on the extent to which popular educational theories of the culturally deprived versus the culturally privileged may be substituting now for traditional racial supremacy in some desegregated schools with a representative segment of white pupils handicapped the same as nonwhites. I am eagerly awaiting the reports of a survey which I understand is being undertaken to study possible tragic consequences of achievement tests which may be eliminating and "railroading" and "tracking" some of the Nation's best minds, segregating or discriminating in a more subtle manner than before and hence robbing the country of the full flower of its youths. There are concerned parents who suspect that concepts of cultural supremacy can deny the returns of untapped resources among economically handicapped citizens, black and white forced to enroll their children in public schools and lacking money for tutoring, unless Federal support is extended to stimulate a sound basic democratic educational program in the Nation's public schools.

Judge Kohler says:

> The schools will have to change some cherished patterns and learn the maturity of flexibility.

And Dr. Edward Fuller, the executive secretary of the Council of Chief State School Officers, comments:

> The advance of technology and automation has made it absolutely necessary to educate more Americans to a much higher general average than ever before * * * The alternative for the future—

He adds—

> if not the loss of our free society, is at the very least increased relief and welfare payments to displaced and unemployed people who cannot strengthen our society and carry their load into it because they are uneducated. * * * We must accelerate the improvement of public schools in the interest of the Nation and in the interest of personal freedom.

The increasing responsibility placed on the Federal Government for the welfare of a growing number of families unable to provide necessities, the undermining effect of dropouts and juvenile delinquency, the population mobility by which one-fifth the population annually moves with their children from one school or school system to another all differing in standard curriculum criterion, the fact that stable governments in this age of technology must increasingly come to rest on informed citizens who care and are willing to contribute to the total well-being, the fact that as the world grows smaller and better armed the battlefield must be transferred to the negotiation table, are all stark

realities which must be faced. Realities which must be positively dealt with if new legislation has to be passed of a fundamentally different nature to anything Jefferson, Franklin, or Washington could have possibly perceived.

I believe in individual freedom and the rights of the States as interpreted by the Supreme Court but I believe that freedom which permits a vociferous group of small men to band together in educational organizations to dominate the 47,000 local and State boards and agencies for perpetuating an elite of "culturally privileged" at the expense of the country is not freedom but freedom abused. These are men who act as directors or dictators over the Nation's public schools. They impose their will on the complacent and indolent majority lulled into that state by the popular belief that any suggestions which border on needed reform of public school education as prescribed by "progressive educators" skirt on unrighteousness and suggested subversion. And thus, we have entered the second half of the 20th century, the desegregation era, convinced that the poor and the ignorant were always with us.

To bow to their wishes to the neglect of the masses for whom public schools were originally intended is a luxury in this nuclear age which national interest cannot protect, and the Federal Government need intercede on behalf of the entire population for survival's sake.

For all these reasons the President needs the authority to stimulate public school education in cooperation with the Department of Education and local and State agencies in the interest of the country and the academically neglected multitude. The "quality education" bill is the least that can be squared with a concern for the country's future.

Let us then lend our matchless energies to the task before us. Let wisdom, determination, and far-reaching vision guide us. If this be done, we cannot but produce the qualitative man as a future citizen of these United States of America and success will in turn be in our favor. Mind, not might, nor material wealth, can win the battles ahead. Educated, trained, disciplined youths of good will drawn from the yet untapped resources of all the people must be armed with those intangibles which promote peace in the nuclear age.

Addressing the graduating class at West Point this season the President emphasized: "For the basic problems facing the world today are not susceptible of a final military solution. While we will long require the services and admire the dedication of the fighting men of this country, neither our strategy nor our psychology as a nation—and certainly not our economy—must become permanently dependent upon an ever-increasing military establishment."

FORMER CONGRESSMAN JACK ANDERSON

Mr. CAHILL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. GUBSER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. GUBSER. Mr. Speaker, Capitol Hill was sorry to learn today that it is losing one of its finest personalities. Former Congressman Jack Z. Anderson, whom I was privileged to succeed in the House following his voluntary retirement from Congress in 1952, announced today that he is retiring from the Washington political scene tomorrow, June 30. Jack plans to return to his beautiful San Juan Valley ranch where he and other members of his family farm approximately 200 acres of fall and winter pears.

Jack Anderson served seven terms as Representative in Congress from the old Eighth Congressional District. Retiring, undefeated, in 1952, he resumed his ranch operations and was president of the California Canning Pear Association which he helped to organize in 1953. In 1955 at the request of the Eisenhower administration he agreed to accept the position of Special Assistant to the then Secretary of Agriculture, Ezra Taft Benson. After 1 year in the Department of Agriculture Anderson moved to the White House where he served for more than 4 years as Administrative Assistant to President Dwight Eisenhower.

During the 4 years of this challenging assignment Jack Anderson acted as an Assistant to President Eisenhower for liaison with the House of Representatives. In this capacity, he worked closely with his numerous friends and former colleagues in securing the passage of many important Eisenhower legislative proposals.

When the Eisenhower administration left office in January 1961, Anderson moved back to Capitol Hill and for the past year and a half has been the minority—Republican—member of the professional staff of the House Committee on Veterans' Affairs.

Jack says he has no regrets about leaving Washington. "After all," he said, "over 20 years in public service is about all any one citizen should be expected to serve."

It is a good guess that Jack Anderson will not retire to his rocking chair. Already he is making plans to be active in California farm affairs and to use his past Government experience where it will do the most good. He has said, "Anything I can do to keep California agriculture free of Federal Government domination and control I shall certainly do. My year in the Department of Agriculture merely served to emphasize what I had already learned as a Member of Congress: The farmer who seeks or demands Government subsidies or price supports is putting his neck into an ever-tightening noose of a vast bureaucratic control from which there is presently no escape. Only an enlightened and determined electorate can free us from this spreading web of tax-supported prices for politically favored crops and from the misguided efforts of various 'do-gooders' who would attempt the impossible task of organizing agricultural labor in California which already pays the highest farm wages of any State in the Nation."

Mr. Speaker, it has been my great pleasure to know Jack Anderson for a great many years and I have always felt that succeeding him in Congress was both a challenge and something of which to be proud. No man could contribute more to his country than Jack Anderson has in his 20 years of public service. I wish him and his good wife, Frances, a most pleasant trip to California and all that is good in his semiretirement. He and Frances have earned the right to take it a little easier, but rest assured they will not. Competent people, such as they, will always remain busy in the best interests of their community, State, and Nation. Let us hope, however, that Frances finds the time to enjoy her home and grandchildren, and Jack finds time to oil up his shotgun and rifle to keep the family freezer well stocked with duck, quail, doves, pheasant, and venison. Good luck to them both.

Mr. CAHILL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. YOUNGER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. YOUNGER. Mr. Speaker, it was with real regret that I learned Mr. J. Z. (Jack) Anderson was going to retire from Federal service. I owe him a great debt of gratitude, for he has been of so much help to me during my terms in the Congress. Also he was most helpful in my original election to the House, for I represent a part of the district which was so ably represented by Jack for 14 years, from 1938 to 1952. He is deserving of a long and happy retirement on his pear ranch in California. Hail and farewell, Jack.

BIPARTISAN HOME RULE GROUP

Mr. CAHILL. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCRANTON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SCRANTON. Mr. Speaker, under permission to extend my remarks at this point I include the following memorandum:

JUNE 28, 1962.

To: Our colleagues in the House of Representatives.

From: Members of the House bipartisan home rule group.

Subject: Discharge petition on H.R. 11327, by Mr. MULTER.

We, the undersigned members of the House bipartisan home rule group, are increasingly concerned over developments in local District of Columbia affairs—the advancing crime rate, the inadequate schools, and the mounting backlog of needed public works improvements.

We believe that restoration of limited self-government would provide the tools and incentive for District residents to solve these local problems themselves. We believe, too,

that home rule under our bipartisan bill would save a busy Congress thousands of man-hours now devoted to the study and debate of relatively unimportant District matters.

We have filed a motion today, therefore, asking in effect that the District of Columbia Committee be discharged from further consideration of H.R. 11327. The resolution to which our motion is directed, House Resolution 693—introduced by Mr. WIDNALL—calls for 4 hours of general debate on H.R. 11327 under an open rule. This will permit the House to fully work its will on home rule legislation.

We are filing this discharge petition reluctantly, realizing full well the pressure of important legislative business in the few months remaining in this session. We are doing so, however, because we believe firmly that the House should have an opportunity at this time to vote on the home rule issue—which, after all, has been unfinished business in the Congress for decades.

We believe, too, that no business pending before us concerns a more flagrant denial of suffrage and of the basic civil rights of American citizens.

We believe that H.R. 11327 is a workable compromise. Despite the fact that several members of our group have sponsored different legislative proposals, all of us are willing to support this bill to get the home rule issue before the full membership of this House. H.R. 11327 has attracted broad bipartisan support. Its features are, in the main, those of a bill backed by President Eisenhower in the 86th Congress. In an effort to harmonize all points of view, we have, however, incorporated several important provisions of a bill backed by President Kennedy in the first session of the current Congress.

We are aware of President Kennedy's past support for District of Columbia home rule, and we expect that his administration will actively assist us in our present effort. Both the Republican and Democratic platforms of 1960 pledged action on this issue.

We began our present effort for restoration of District self-government on April 16, when 14 members of our bipartisan group introduced identical bills. Included among these was H.R. 11327, by Mr. MULTER. Other members have introduced the bipartisan home rule bill since April 16.

We also wrote to the chairman of the House District of Columbia Committee, Mr. MCMILLAN, on April 16. We indicated that we believed home rule legislation was worthy of consideration by his committee. We strongly urged that his committee schedule hearings on such legislation as soon as was convenient.

We received no reply. No hearings have been scheduled on H.R. 11327 or any other home rule legislation pending before the committee. Nor has there been any indication that hearings will be scheduled.

We should like to point out, however, that while no hearings have been held on H.R. 11327, extensive hearings have been held on similar home rule proposals. In the first session of the 86th Congress, the District of Columbia Subcommittee No. 3 held hearings on 27 home rule bills. The hearings were held July 28, August 3, 7, 14, and 26, and September 3, 1959. Seven out of the 11 members who participated in these hearings are still members of the subcommittee. The hearing record—538 pages of testimony and analysis—is available.

We believe that H.R. 11327 reflects the care exercised in its drafting. Our proposal is limited. It would restore the principle of local self-government to the 800,000 people of Washington, D.C. But it would also protect every legitimate Federal interest in the Nation's Capital.

Our bipartisan bill would give the District a status roughly comparable to that of Puerto Rico and the Virgin Islands. It would place responsibility for initiating local legislation and solving local problems in the hands of a locally elected legislative assembly. Congress would retain the ultimate legislative power. And the President would have veto power over actions of the legislative assembly, if a Federal interest were affected adversely.

Our bipartisan bill would give the District an elected, nonvoting delegate in the House. The District's chief executive, the Governor, would be appointed by the President.

Our bipartisan bill provides for a referendum whereby District voters would decide whether to accept home rule under these conditions. We believe that District citizens have a right to make that choice. We believe that this House should have an opportunity to offer it to them.

We ask your earnest consideration of our bipartisan bill. And we hope you will sign our petition.

WILLIAM B. WIDNALL, FRANK THOMPSON, JR., JULIA BUTLER HANSEN, FRED SCHWENGEL, DICK SCHWEIKER, CLARK MACGREGOR, FLORENCE P. DWYER, WILLIAM F. RYAN, THOR C. TOLLEFSON, HENRY B. GONZALEZ, HENRY S. REUSS, MORRIS K. UDALL, GRAHAM PURCELL, EDITH GREEN, JEFFERY COHELAN, SILVIO O. CONTE, WILLIAM W. SCRANTON, JAMES G. FULTON, ABRAHAM J. MULTER, JOHN V. LINDSAY.

HEALTH CLINICS FOR MIGRATORY FARMWORKERS

Mr. ROBERTS of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROBERTS of Alabama. Mr. Speaker, the Subcommittee on Health and Safety of the Interstate and Foreign Commerce Committee, of which I am a member, this morning reported out favorably a bill to authorize grants for family clinics for domestic agricultural migratory workers and for other purposes.

During the hearings on this legislation, several articles prepared by Brandt Ayers were inserted in the RECORD and I believe they give a very excellent picture of the need for assistance in this field for the migratory farmworkers.

Brandt Ayers is a reporter for the Raleigh Times and other southern newspapers. He is also the son of the owner and publisher of the Anniston Star, one of the largest newspapers in my district of Alabama.

I believe Brandt to be a most thorough and factual reporter. Therefore, Mr. Speaker, I insert the articles written by Brandt Ayers at this point in the RECORD:

[From the Raleigh Times, July 3–7, 1961]

THE MIGRANT WORKER IN NORTH CAROLINA—PART I: ARMY OF DESPAIR BEGINS ITS ANNUAL ODYSSEY

(First in a series by Brandt Ayers, Times staff writer)

An army of despair is again making its wretched odyssey through North Carolina. At its peak now, it will number 12,000 before October.

These are the nomads of the cabbage fields, the cotton acres, and the tobacco rows. The ragged, pinch-faced men and women Government calls migrant laborers.

Most are now living in subhuman squalor, "a jungle," as a Shiloh minister who visits their camps calls them.

The State employment security commission, which arranges to bring them here and assigns them to growers, paints a rosy picture of the camps.

But ministers of the North Carolina Council of Churches on their weekly, often daily, visits, see the worst of them as they are: blighted, stinking hovels, filthy, and overcrowded.

The awful irony of this picture is that the recent session of the legislature had an opportunity to do something about it.

A bill was introduced and passed in the senate to require permits to establish a camp and give the State board of health authority to set up standards for them.

It was tabled in the lower chamber and never revived. Similar legislation in the 1959 session met the same fate.

The Reverend Mortin R. Kurtz, of Durham, executive secretary of the North Carolina Council of Churches, the only group actively doing something about the problem, gave this statewide view of the situation:

"They are dirty; refuse lies around; open, unsanitary latrines; too few toilet facilities for the number of workers; no screens, often not enough windows; people lumped together in rooms, sometimes different families in the same room—a great opportunity for immorality."

Friday, the Raleigh Times called on Curtis B. Gilliam, assistant farm placement supervisor of the employment security commission.

He talked of tremendous advances. There has been some in the past 5 years, but as the Reverend Dr. Kurtz put it, "There is a long way to go."

Gilliam showed pictures of new concrete block camps he termed "like motels," and showed off certificates from county health boards he said were required before the employment commission could place workers at camps.

He admitted some county health departments were rather lax but he indicated conditions were actually quite good.

The Council of Churches representative in the Carteret County area, Rev. Jack Mansfield, pastor of the Camp Glenn Methodist Church in Morehead City, said:

"Certification is made by the county sanitarian. What his requirements are is a very nebulous thing; nobody knows what these requirements are."

How bad is the situation?

An index of progress is how many concrete block camps, the best, there are in the three major migrant areas of Henderson County, Pasquotank-Camden, and Carteret.

There are 34 camps in these 3 areas. Four of them are of concrete block construction. All four are in the Hendersonville area.

The workers come in a mighty stream, mostly from Florida, jammed together in buses and closed trucks.

First they come in a trickle for the cabbage harvest in May, the stream swells and they push north as far at New York, then they swing back, passing through western North Carolina to pick the late beans in October. And then they vanish for another year.

They come through the efforts of the employment security commission.

Crew leaders are contacted in Florida. The crew leader is told to get a certain number of workers and be at a certain camp at a specified time.

They gather the unemployed farm laborers and lead their divisions of the forgotten army on their yearly, tragic march.

THE MIGRANT WORKER IN NORTH CAROLINA—PART II: A STARK, PERSONAL MIGRANT'S DRAMA

(Second in a series by Brandt Ayers, Times staff writer)

MOREHEAD CITY-BEAUFORT.—Outside the dejected frame shack, a strong wind from the ocean twirled a leaf from a Sunday school book into a pile of refuse.

It fluttered fitfully. The wind caught it in a little whirlpool and sent it dancing into the white, sandy road.

Inside, the same wind blowing through the boards of the filthy shack played a mournful accompaniment to the lament of one of America's disinherited—a migrant laborer.

Her name is Henrietta, which she wrote in large, childish letters on a pad for this reporter. She is 30, a Negro from Atlanta.

She is a slender girl. Two hornlike tufts of wiry hair gave her a wild look. She talked in the half-whine of the South, telling of a stark, personal drama.

Patting the sagging, dirty mattress on which her pile of rags lay, she said: "I lost my baby on this bed."

Three weeks ago the man she had been living with in that small room had given her a terrible beating. And she miscarried the child of 3 months.

When she returned from the hospital, "Mr. Johnny wanted me to work in the potato field," she said.

"Please help me, please help me, y'all; I want to go home," she pleaded.

The "Mr. Johnny" Henrietta referred to is Johnny Kirkland. He is crew leader of a band of migrant laborers from Pahokee, Fla., on the edge of the Okefenokee Swamp.

Early this year Kirkland was contacted by the State employment security commission and told when and where to go in North Carolina, what his crew would be working, and how large a crew he would need.

Then Kirkland led his division in the army of despair "up the road" as the workers say. They will go as far north as New Jersey before they are finished for another year.

In the twin cities of Morehead City and Beaufort this week there are only about 300 migrants left. The main tide has swept north to Elizabeth City and beyond.

Before October, when the migrant stream pours back down through Hendersonville in the west, the number will have reached 12,000.

And despite the happy comments of employment security that, "The worst of the problem has been solved," most of these laborers live in subhuman squalor.

Of the four camps the Raleigh Times reporter-photographer team visited, one fulfilled the minimum sanitation standards required by the Carteret County Health Department. There are 15 camps in the county, and the people close to the problem say that one camp is the only decent one there.

The picture the Times saw was this: Open piles of refuse, crumbling outhouses used by men and women; filthy, unscreened rooms, occupied by as many as 10; unsanitary water supplies; no bathing or washing facilities; and flies crawling over food left in the open because there was no place else to put it.

A typical day for these workers sometimes begins at 5:30 a.m. and ends at midnight.

Back-breaking labor, crawling on their knees in the potato rows, fills the void from first light to dark.

In many cases, they do not even get three good meals. In almost all cases they never get a bath, and live anywhere.

Carteret County for the most part turns its face away from these dejected, disinherited people but when they look squarely at them the reaction is despair, impatience, and, to a large degree, hopelessness.

"It is a terrible problem," says a minister.

"There is no plan for these migrant laborers in trouble," says one county worker.

"They don't appreciate what the growers do for them. We are dealing with the scum of the earth—animals," said another county official.

And the same official shrugged, "It's a terrible situation that's wrong, that's terrible. But what are you gonna do about it? What can you do about it?"

THE MIGRANT WORKER IN NORTH CAROLINA—PART III: VILLAINS, HEROES IN NORTH CAROLINA MIGRANT CAMP

(Third in a series by Brandt Ayers, Times staff writer)

MOREHEAD CITY-BEAUFORT.—"How's the hand, William?" asked the tall, young man bending to light the old Negro's cigarette.

"It still hurt some," the graying 60-year-old farmhand said, holding out his right palm, unbandaged and festered where a broken bone had cut the surface.

"Mr. Johnny, he wants me to work. He say if I don't I has to leave the camp."

The "Mr. Johnny" the old Negro referred to is Johnny Kirkland, crew leader of a group of migrant laborers, mostly from Florida.

These crew leaders, along with county and State governments, and in some cases the growers, are the villains of the shameful conditions in migrant camps.

The tall man straightened to his full 6 feet, 5 inches and looked down, "William, don't you think you'd better let us help you go home?"

The workers call the young man, "the big good man."

He is chairman of the Carteret County Migrant Committee and is one of the heroes of the uneven fight against disease and squalor bred in the blighted migrant shacks.

His name is the Reverend Jack Mansfield, pastor of Camp Glen Methodist Church in Morehead City.

The Reverend Dr. Mansfield wears another hat in this fight as a member of the North Carolina Council of Churches which is spearheading the statewide battle on a person-to-person basis.

Mansfield's offer to help the injured old man go home was made Monday in a filthy hovel in Beaufort.

Earlier that afternoon he made the same offer to Henrietta, a migrant from Atlanta, who had miscarried in an equally filthy shack after being given a terrible beating.

He could do no more.

As Miss Georgia Hughes, director of Carteret County's Welfare Department, says, "welfare has little to offer these people because of residence requirements. There isn't a State plan, a county plan, or a Federal plan for migrants in trouble."

These migrants follow the ripening of the crops from Florida through North Carolina and as far as New York from May to October in a march of despair 12,000 strong.

But because they are in North Carolina less than 12 months the State has no legal responsibility for their health or housing.

Despite the boasts of the State employment security commission that no migrants are placed in uninspected camps, and of tremendous advances in the past 5 years, they live in a subhuman squalor.

An index of progress is how many concrete block camps, the best, there are in the three major areas of Henderson, Camden-Pasquotank, and Carteret Counties.

There are 34 camps in these areas. Five are of concrete block construction and all of them are in Henderson.

The Raleigh Times visited camps in Carteret County and found only one ideal camp. It was a model because it had garbage cans and spigot with running water.

At other camps, the Times saw and learned migrants defecate through open boards in their shacks, have no garbage disposals, bathing, or clothes washing facilities.

These farm laborers, who are required to have no health certificates, drink from unsanitary water supplies, have no chance to bathe, often not enough food. At one place some 60 men and women live crowded together in a converted fishhouse.

The camps were inspected once by the Carteret County Health Department—before the season opened. A sanitation official did not have a clear idea of what conditions were.

There is concern in Carteret County, however, and in other migrant areas, but by too few and the help is spasmodic, stopgap, and unofficial.

The Carteret County Migrant Committee is operating with assets of $300 and debts of $500.

But Mansfield summed up the spirit of the group, "We don't really care. If someone gets sick tonight we'll put him in the hospital. We'll pay them (hospitals) somehow or other."

Editor Ruth Peeling of the Carteret County News-Times, which has pleaded for voluntary help, says, "The Ministerial Association (underwriters of the migrant committee) has done the work. If the ministers hadn't put the plan into action, we'd be right back where we were 5 years ago."

One of the plans put in action is the mobile clinic.

It is a weathered trailer which four doctors give a night a week to man.

Traveling into Carteret's 15 camps, they give first aid and check for venereal diseases. Mansfield says the VD rate this season is about 11 percent. Many a prim minister would blanch at this and the drinking and immorality.

Not Mansfield. He has worked so closely with it he doesn't have time to be affected by the squalor.

About the drinking and what it denotes, he says:

"I can't blame them for drinking. I don't drink myself and don't particularly like it. But if I had to work 15 hours a day and live like they do, I would drink."

THE MIGRANT WORKER IN NORTH CAROLINA—PART IV: NO SINGLE SCAPEGOAT FOR MIGRANTS

(Fourth in a series by Brandt Ayers, Times staff writer)

MOREHEAD CITY-BEAUFORT.—Who is to blame for the harvest of squalor now being reaped in North Carolina by migrant laborers?

There is no one villain.

Conditions in which these people live and work are barely adequate at best and in the majority of cases is subhuman.

Responsibility for these conditions must be shared by the U.S. Congress, State and county government, migrant crew leaders, the growers, and the workers themselves.

First, how bad are conditions?

Of the 34 camps in the 3 major areas of migrant labor—Henderson, Camden-Pasquotank, and Carteret Counties—only 5 are of the best type, concrete block.

The Raleigh Times went to Carteret County to observe the plight of the migrants and found:

People crowded into filthy frame shacks, no bathing or clothes washing facilities, unsanitary water supplies, open garbage disposals with few garbage cans provided, no place to keep food, inadequate toilet facilities, and no official health clinics.

Naturally, these conditions breed physical and moral disease. A Morehead City minister pointed out the venereal rate among these workers, who handle our food, is 11 percent.

The State employment security commission, which arranges to bring the migrants here for the harvest, boasts none are placed at camps that have not been certified by the local health department.

This is not the case.

As Carteret County Sanitation Officer A. D. Fulford says, "You approve one house, they (the growers) rent that to a permanent tenant. They'll move 'em into a house that's not approved—wherever they can stick 'em, a horse stable or cow stall."

Fulford admits he checked the camps only once, before the season started in May. He has not been back.

At one Morehead City shack about 15 migrants used an open, unsanitary water supply from a nonregulation "openmouth" pump.

These workers were in the crew of Johnny Kirkland, of Pahokee, Fla., and were working for D. S. (Danny) Oglesby. About the house, Fulford says, "I'm under the impression he doesn't have a permit."

Fulford places a large portion of the blame on the migrants themselves, "If they had the intelligence to be sanitary they wouldn't be migrant workers. We're dealing with the scum of the earth—animals."

And he puts his finger on one personality that has major responsibility, the crew leader. "The crew chief is the main one. All he's interested in is the money," says Fulford.

The crew leader is the middleman.

He deals with employment security before the season, gets harvest assignment, collects his crew, transports them to the harvest and pays them after the grower pays him.

His power is great. Most crew leaders withhold part of their crew's pay for services. In some cases the workers never get their pay.

Since he holds the power of the purse over his crew he could require them to keep clean and maintain their rooms, as one good chief does—Jack Passmore, of Pensacola, Fla.

And he could refuse to work his crew unless they had time off for meals and better living conditions, thus exercising power over the grower who must get his crop picked quickly for marketing when it ripens.

Beyond this stopgap solution, the answer must come with Federal or State legislation giving government strong tools to remove this blight from North Carolina.

The North Carolina General Assembly killed one bill that would have forced some sanitation measures in the camps. And the Federal program was halted in 1948 by the 80th Congress.

Happily, the general assembly did provide legislation this year requiring that migrants, in effect, must be hauled in either buses or closed trucks.

Although farmers are exempt from the act, it will minimize the chances for a repeat of the June 1957 tragedy in which 20 migrant workers died when their open truck crashed near Fayetteville.

County Sanitarian Fulford asks this question of the future, "It's a situation that's wrong, that's terrible. But what are you gonna do? What can you do about it?"

The Federal Government was answering that question until 1948. It may have to answer it again.

THE MIGRANT WORKER IN NORTH CAROLINA—LAST PART: LIVING DIFFERENT UNDER U.S. CONTROL

(Last in a series by Brandt Ayers, Times staff writer)

MOREHEAD CITY.—It is 14 years ago in this same city, June 1947.

The potatoes lie fat and ready in the rows under the gray-eastern North Carolina earth.

The ripening is the signal for armies of Negro farmhands to rise out of the Deep South to take them and then press farther north for yet another ripening.

While this army is encamped here, it lives in orderly columns of houses under the supervision of a Farm Security Administration director and his staff.

One year later, the Republican 80th Congress toppled this simple but efficient structure, and with it vanished the health clinics, washhouses, bathhouses, sanitary privies, and recreation facilities.

From 1948, conditions in migrant camps worsened quickly.

Now, in this ocean city and its sibling, Beaufort, the migrant laborer lives in subhuman squalor appropriate to the station of the despised, disinherited American.

Hear the comment of a large grower, Mrs. K. W. Wright of Beaufort: "I realize the camps could be better, but they won't take care of what you give them."

And that of County Sanitarian A. D. Fulford: "If they had the intelligence to be sanitary they wouldn't be migrant workers. We're dealing with the scum of the earth—animals."

A different view is taken by Nelson W. Stephenson of Raleigh in his thesis prepared in 1950 for a master of science degree in rural sociology at State College.

Stephenson had been a camp director himself under the Farm Security Administration (1942–47) and he wrote from experience as well as painstaking research.

Origin of the migrant laborer he traces to the abandonment of one-crop agriculture and the consequent demand for purely seasonal labor.

And he says that once accustomed to decent conditions they demand more—a contradiction of the opinion they would destroy more.

He also suggests by its very nature the migrant problem needs a Federal solution.

Why is it a Federal problem ultimately?

Voluntary agencies like the Red Cross are hard pressed by other demands, the workers are not citizens of the State and are not entitled to its aid, the grower feels little responsibility for so short a time, and the community does not claim them.

Voluntary agencies in North Carolina, such as the North Carolina Council of Churches and the local migrant committees, now are doing something about the problem.

One young program in Carteret County—a combination of Federal, State, and voluntary action—may be the hope for a better, broader program of the future.

This "homemaker program" established with Federal help as a pilot program for 1 year in Carteret has been "very effective," says the Reverend Jack Mansfield, chairman of the Carteret Migrant Committee.

The program made funds available to the committee to hire two Negro women to work in the camps caring for children, teaching better sanitation, and following up on the purely voluntary health clinic's visits.

They proved their worth in one grisly case.

Henrietta, a 30-year-old Atlanta woman, miscarried a 3-month-old baby in a filthy Morehead shack after a terrible beating from the man sharing the room.

When she returned from the hospital, the two "homemakers" tried to make her more comfortable.

Henrietta and her tragic plea, "Please help me; please help me, y'all; I want to go home," are a sort of symbol of the plight of the migrants.

She is home now, but when the potatoes ripen again in another June she will come again, her few belongings tied in a soiled blanket.

When Henrietta in another year joins again the march to the harvest, 12,000 strong, will it again be a march of the disinherited, a march of despair?

SCHOOL PRAYER

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

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

There was no objection.

Mr. WINSTEAD. Mr. Speaker, even though the decision of the Supreme Court in the school-prayer case came as no surprise, in view of other decisions by the Court which have not been in the best interest of our great country, I am nonetheless distressed by it. One cannot help wondering if the Court is trying to drive God and religion out of our schools and even out of our heritage. It is significant that no child was required to recite the prayer in question, which simply invoked the blessings of Almighty God upon parents, teachers, and country. Therefore, the decision of the Supreme Court has, in effect, denied the rights of those children who sincerely desire to join in such a prayer.

This strange decision is indeed an affront to the American people. Surely no one will be surprised if the Court next condemns the reference to God in the Declaration of Independence, "The Star-Spangled Banner," and in the Pledge of Allegiance to the Flag. This unfortunate blunder must be corrected and I am joining my colleagues in introducing a resolution to amend the Constitution to permit prayers in public schools and in other public places. I hope the appropriate committee will take favorable action thereon.

I call your attention to an editorial which appeared in the Wall Street Journal, June 27, 1962, entitled "In the Name of Freedom." I am in full accord with the views expressed in this editorial and recommend that those of you here who have not done so already read it carefully.

IN THE NAME OF FREEDOM

"Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country."

This is the simple, nondenominational prayer which the U.S. Supreme Court has now ruled an offense to the Constitution. It was devised by the New York State Board of Regents and recommended for use in that State's public schools.

The Court decision is significant not only in itself but also as symptomatic of a broader move in the Nation toward the rigid exclusion of all traces of religion in the public schools. We think this attitude bespeaks considerable confusion and no abundance of commonsense.

Justice Black, writing for the 6 to 1 majority, contends that the New York prayer violates that part of the first amendment which says: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." Specifically, he charges that it does establish religion.

Now if it were true that the prayer constituted an establishment of religion, it would be a serious matter indeed. The authors of the Bill of Rights wrote the establishment clause because they understood very well the perils of State religion and the tyranny which can go with it—which in fact had driven many from the Old World to the New to find religious freedom.

But only a violent wrenching of language can produce the interpretation that the prayer establishes a religion. If one looks

at its 22 innocuous words, it must be asked, What religion? Nor does it interfere with anyone's constitutional right of free exercise of religion, including the right to practice no religion and believe in none. It is nondenominational; it is not mandatory in any school; no pupil is required to recite it.

It is simply one among innumerable official governmental references expressing what the Court itself said 10 years ago, that by and large Americans are a religious people. As Justice Stewart observes in his dissent in the present case, "to deny the wish of these schoolchildren to join in reciting this prayer is to deny them the opportunity of sharing the spiritual heritage of our Nation."

If the majority opinion prevails, however, it must logically require the excision of all those countless other official references to God—such as in the Declaration of Independence, the pledge of allegiance, "The Star-Spangled Banner," the words used to inaugurate the President, open the Congress and convoke the Supreme Court itself. Justice Douglas, concurring with the majority, seems to say it does and should apply to these and all the other official instances.

And that is by no means all. If the majority doctrine stands, then anything that smacks of religious instruction or the subtle imparting of a religious viewpoint in the public schools becomes suspect. Do not suppose this to be a fanciful exaggeration. Already the Bible is banned from some schoolrooms. Already a Florida court decision has declared school observances at Easter and Christmas to be unconstitutional, and similar efforts are afoot elsewhere. (Poor kids, if they can't even sing Christmas carols.)

As for banning the Bible, with its magnificent poetry and philosophy, that is but the bare beginning, since so much of our culture is Biblical in derivation. In Matthew Arnold's phrase, the mainstreams of Western civilization are Hebraism and Hellenism, and by Hebraism is meant the whole Judaeo-Christian tradition and ethic.

Shall we then, uproot it? Out the window with everything from Dante to Donne, from Milton to Dickens? Or how can public school teachers teach about Bach or Michelangelo, when the context is so inescapably religious? What is left of history?

Thus carried to its conclusion, the argument reduces itself to absurdity. That is why we would enter a plea for the exercise of a little commonsense. Any actual attempt to establish a specific state religion is a danger that ought to be easily recognizable. But it is something entirely different to suppose that, short of unimaginable police tactics, teaching about religion can be divorced from the American education with which it is inextricably bound up as a central fact of our heritage.

Those who persist in such attempts had best take care lest, in the name of religious freedom, they do real damage to free institutions.

SUGAR ACT AMENDMENTS OF 1962

Mr. COOLEY submitted a conference report and statement.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. MAY (at the request of Mr. HALLECK), for balance of the week, on account of illness.

Mr. TOLLEFSON (at the request of Mr. PELLY), for June 29 and 30, on account of official business.

Mr. REUSS (at the request of Mr. GARMATZ), from June 28 to July 7, on account of official business.

Mr. SAYLOR (at the request of Mr. ROGERS of Texas), on account of official business.

Mr. MACGREGOR for June 30, July 2, and July 3, on account of pressing family responsibilities.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

(The following Members (at the request of Mr. WAGGONNER) and to include extraneous matter:)

Mr. KING of California.

Mr. WATTS.

Mr. POWELL in two instances.

Mr. DENT in two instances.

Mr. BOLAND in two instances.

Mr. EDMONDSON.

Mr. RANDALL.

(The following Members (at the request of Mr. CAHILL) and to include extraneous matter:)

Mr. FINO.

Mr. CURTIS of Missouri.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 10095. An act to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes;

H.R. 11990. An act to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act; and

H.J. Res. 769. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On June 28, 1962:

H.R. 8291. An act to enable the United States to participate in the assistance rendered to certain migrants and refugees;

H.R. 8773. An act to amend section 265 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1016), relating to lumpsum readjustment payments for members of the Reserve components who are involuntarily released from active duty, and for other purposes;

H.R. 9822. An act to provide that lands within the exterior boundaries of a national forest acquired under section 8 of the act of June 28, 1934, as amended (43 U.S.C. 315g), may be added to the national forest; and

H.R. 11879. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes.

On June 29, 1962:

H.R. 10095. An act to continue until the close of June 30, 1963, the suspension of duties for metal scrap, and for other purposes;

H.R. 11990. An act to provide for a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act; and

H.J. Res. 769. Joint resolution making continuing appropriations for the fiscal year 1963, and for other purposes.

ADJOURNMENT

Mr. WAGGONNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 11 minutes p.m.) the House adjourned until tomorrow, Saturday, June 30, 1962, 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:

2254. A letter from the Administrator, General Services Administration, transmitting a draft of a proposed bill entitled "A bill to authorize the Administrator of General Services, in connection with the construction and maintenance of a Federal office building, to use the public space under and over 10th Street SW. in the District of Columbia, and for other purposes"; to the Committee on Public Works.

2255. A letter from the Comptroller General of the United States, transmitting a report on the review of the supply management of high-value repairable aviation assemblies and equipment within the Department of the Navy; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XXIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ELLIOTT: Committee on Rules. House Resolution 716. Resolution for consideration of H.R. 11974, a bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 1953). Referred to the House Calendar.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. House Resolution 714. Resolution expressing the sense of the House of Representatives with respect to the authorization by the Federal Communications Commission of class I–A clear channel operations; without amendment (Rept. No. 1954). Referred to the House Calendar.

Mr. PATMAN: Committee of conference. S. 3161. An act to provide for continuation of authority for regulation of exports, and for other purposes (Rept. No. 1955). Ordered to be printed.

Mr. HOLIFIELD: Joint Committee on Atomic Energy. Report on the proposed agreement for cooperation for mutual defense purposes between the Government of the United States and Belgium; without amendment (Rept. No. 1956). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee of conference. H.R. 12154. A bill to amend and extend the provisions of the Sugar Act of 1948, as amended (Rept. No. 1957). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FARBSTEIN:

H.R. 12360. A bill to provide for a Domestic Peace Corps to aid in combating juvenile delinquency; to the Committee on Education and Labor.

By Mr. HAGAN of Georgia:

H.R. 12361. A bill to increase from $600 to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 12362. A bill to authorize the Interstate Commerce Commission, after investigation and hearing, to require the establishment of through routes and joint rates between motor common carriers of property, and between such carriers and common carriers by rail, express, and water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HERLONG:

H.R. 12363. A bill to authorize assistance under the Area Redevelopment Act in the case of any area which has been adversely affected by the imposition by the United States of an embargo on the importation of products from Communist or Communist-dominated countries; to the Committee on Banking and Currency.

By Mr. MONAGAN:

H.R. 12364. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484 (j)), to provide that the Department of Defense may allocate surplus property under its control for transfer under the act only to educational institutions conducting approved military training programs; to the Committee on Government Operations.

By Mr. ROBERTS of Alabama:

H.R. 12365. A bill to amend title III of the Public Health Service Act to authorize grants for family clinics for domestic agricultural migratory workers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wisconsin:

H.R. 12366. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted from $1,200 to $1,800 yearly without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. WALTER:

H.R. 12367. A bill to amend the Internal Security Act of 1950; to the Committee on Un-American Activities.

By Mr. MACK:

H.R. 12368. A bill to authorize the project for flood protection on the Illinois River and tributaries; to the Committee on Public Works.

By Mr. ROONEY:

H.R. 12369. A bill to facilitate the entry of alien skilled specialists and certain relatives of U.S. citizens, and for other purposes; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H.J. Res. 785. Joint resolution proposing an amendment to the Constitution of the United States providing that the offering of prayers or any other recognition of God shall be permitted in public schools and other public places; to the Committee on the Judiciary.

By Mr. KITCHIN:

H.J. Res. 786. Joint resolution requesting the President to enter into negotiations with Canada with respect to imports of softwood and authorizing the establishment of temporary import quotas for softwood; to the Committee on Ways and Means.

By Mr. MERROW:

H.J. Res. 787. Joint resolution proposing an amendment to the Constitution of the United States pertaining to the offering of prayers in public schools and other public places in the United States; to the Committee on the Judiciary.

By Mr. MORRISON:

H.J. Res. 788. Joint resolution proposing an amendment to the Constitution relating to the offering of prayers in public schools; to the Committee on the Judiciary.

By Mr. WHITENER:

H.J. Res. 789. Joint resolution proposing an amendment to the Constitution of the United States to permit the use of prayer in public schools; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.J. Res. 790. Joint resolution proposing an amendment to the Constitution of the United States to authorize Congress, by two-thirds vote of both Houses, to override decisions of the Supreme Court; to the Committee on the Judiciary.

By Mr. WINSTEAD:

H.J. Res. 791. Joint resolution proposing an amendment to the Constitution of the United States providing that the offering of nonsectarian prayers or any other nonsectarian recognition of God shall be permitted in public schools and other public places; to the Committee on the Judiciary.

By Mr. WHALLEY:

H.J. Res. 792. Joint resolution proposing an amendment to the Constitution of the United States permitting the voluntary recitation of a prayer in public schools; to the Committee on the Judiciary.

By Mr. POWELL:

H. Res. 717. Resolution to provide additional funds for the expenses incurred pursuant to House Resolution 141; to the Committee on House Administration.

By Mr. SHORT:

H. Res. 718. Resolution expressing the sense of the House of Representatives with respect to the persecution of the Ukrainian Catholic and Orthodox Churches; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLLIER:

H.R. 12370. A bill for the relief of Ayten Ilkin and Mehmet Ilkin; to the committee on the Judiciary.

By Mr. CURTIN:

H.R. 12371. A bill for the relief of Richard G. Freen, Jr.; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.R. 12372. A bill for the relief of Federico Lopez-Blanco; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 12373. A bill for the relief of Mario Calia; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 12374. A bill for the relief of Dung How Yee and Kai Suey Yee; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 12375. A bill for the relief of Mrs. Olive Lee Ballard; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 12376. A bill for the relief of Elias Odder; to the Committee on the Judiciary.

By Mr. POFF:

H.R. 12377. A bill for the relief of Selma Gokhan and Selcuk Gokhan; to the Committee on the Judiciary.

By Mr. RYAN of Michigan:

H.R. 12378. A bill for the relief of Rosalia Chirco; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

374. The SPEAKER presented a petition of Manuel R. Grullon, president, Chamber of Commerce, Dajabon, Dominican Republic, relative to calling attention to the deplorable consequence which the sugar bill may have on the Dominican economy, which was referred to the Committee on Agriculture.

EXTENSIONS OF REMARKS

Independence Day of the Republic of the Congo

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm felicitations to His Excellency, the President of the Republic of the Congo, Joseph Kasairilri; and the Republic's Chargé d'Affaires to the United States, the Honorable Mario Phillippe Cardosa, on the occasion of the second anniversary of the Republic of the Congo's independence.

The world may by now have forgotten the date of independence of the Republic of the Congo—June 30, 1960. It may not seem possible that 2 years have passed since King Baudouin of the Belgians handed over sovereignty to President Kasavubu of the Republic of the Congo amid the ceremonial salutes booming across the wide expanse of the Congo River. But we cannot forget so soon the difficult, indeed tragic, days which followed. For the first 2 years of independence have not been easy for the Congolese people. No sooner was the rejoicing over than old tribal rivalries reasserted themselves, riots and strikes broke out, paralysis shook the economy, and an inadequately controlled force publique mutinied. The birth of the Congo was indeed difficult.

The Belgians have been criticized for inadequately preparing the Congo for independence; the Congolese leaders have been called power-hungry politicians. We are perhaps too prone to overlook the fact that after those first few days of stunned chaos the Congolese reached a most important decision—to pursue the only course of action which would enable them to preserve their

sovereignty, consolidate their political control, and develop their economy. On July 13 the Prime Minister appealed to the United Nations for help.

Thus began a cooperative effort between independent state and world organization—the first of its kind in history—which is still continuing. Because the Republic of the Congo turned to the United Nations, the Soviet Union was unable to mold it into an African satellite. The loss of needed Belgian technicians was countered by the dispatch of U.N. experts. Tribal rivalries were attenuated by the U.N. presence. Belgian troops were forbidden to return.

Admittedly, 2 years after independence all the problems have not yet been solved. But the central government has consolidated its power over all but Katanga, and hopefully talks between the central government and secessionist leader Moise Tshombé will soon result in this province rejoining the central government. The army is being reorganized. The economy has been set back on its feet, and the enormous economic potential of the country is once again being harnessed. Belgian technical experts are returning at the request of the Congolese government to bridge the gap until the Congo has its own trained technicians.

The Congolese government and the United Nations are still working together to strengthen Congolese independence. The U.N. presence remains in the Congo at the request of the Congolese authorities. The U.N. Educational, Scientific, and Cultural Organization is helping reorganize the Congolese educational system with a view to expanding education at all levels. There are staffs from the Food and Agriculture Organization, the International Labor Organization, the International Telecommunications Union, the World Health Organization, and the World Meteorological Organization—experts in relief operations, housing, welfare, communications and transportation, and health. The whole U.N. family of organizations has been put to work to help the Congo achieve stability.

On this second anniversary of Congolese independence we commend the decision of the Congolese leaders to turn to the United Nations for help. We congratulate the Congolese on their own unceasing efforts to build a viable economic and political system. We express confidence in their success and in the promise which the future holds for this large and potentially wealthy republic in the heart of Africa.

A National Lottery

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1962

Mr. FINO. Mr. Speaker, while we persist in refusing to capitalize on the natural gambling spirit of the American people and while we stubbornly continue to ignore the tremendous revenue-producing features of a national lottery in the United States, more and more of our American dollars leave our shores every day in support of foreign-operated lotteries and other gambling activities.

Mr. Speaker, Saturday, June 30 will be a very important day in the lives of hundreds of thousands of Americans across this country. It will be important because the results of the Irish Hospitals Sweepstakes will be announced. It will also be important to the Irish Government because worldwide sales of tickets for this run brought in the net sum of $15,764,851. I venture to say that at least $13 million came from the pockets of our own citizens.

Mr. Speaker, it is difficult for most of our American taxpayers to understand the double role played by our Government. While we assume a sanctimonious attitude about gambling, we continue to tax all sweepstakes and gambling winnings; we impose taxes on admission to racetracks where parimutuel gambling is allowed; we insist that all professional gamblers purchase $50 tax stamps and pay 10 percent tax on gross receipts. Are we not really engaged in a game of hyprocrisy?

Mr. Speaker, I believe the time has come to be sensible and realistic about our gambling problem. The time has come for us to remove the blinders and recognize the obvious—the fact that the urge to gamble is deeply ingrained in most human beings. The time has come for us to control and regulate this universal human trait for our own benefit.

Mr. Speaker, a national lottery in the United States, under proper Government supervision and control, would not only stop the flow of money to foreign lotteries but would pump into our own Treasury over $10 billion a year in additional, new revenue. Can we think of a more sensible and profitable solution to our problem of gambling and the Government's need for additional income? Let us rub the luck of the Irish on our American taxpayers.

President Kennedy's Message to Membership of Feeding Hills Congregational Church on 200th Anniversary of Founding

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1962

Mr. BOLAND. Mr. Speaker, one of the older Christian churches in my congressional district, the Feeding Hills Congregational Church observed the 200th anniversary of its founding last weekend, and celebrated with a barbecue outing on Saturday, June 23, at the Eastern States Exposition grounds.

The Reverend Frank E. Dunn, minister of this church which has generously contributed so much to the community, and the membership of the Feeding Hills Congregational Church, received many messages of congratulations and well wishes, including those of President John F. Kennedy, Vice President Lyndon Johnson, and Gov. John Volpe.

By an act of the Governor of the Massachusetts Bay Province and the Colonial Legislature, the sixth parish of Springfield was created in 1757, and by "the free will and enterprise of men" the Feeding Hills Congregational Church was born in 1762, church records state.

Mr. Speaker, I include with my remarks the messages from President Kennedy, Vice President Johnson, and Governor Volpe, former Presidents Eisenhower and Truman:

Rev. FRANK E. DUNN,
Feeding Hills Congregational Church,
Feeding Hills, Mass.:

My hearty greetings to you and to all members and friends of Feeding Hills Congregational Church on the happy occasion of the 200th anniversary of its founding.

In the midst of the conflicts which divide the nations of the world today, we see more clearly than ever before the need for a society based upon the eternal principles taught in our churches.

The turning point of this notable milestone will bring to older members of your church many happy memories of long ago. I trust that all the fine things accomplished during the past two centuries will be but the forerunner of nobler goals to be attained in the generations that lie ahead.

JOHN F. KENNEDY.

Rev. FRANK E. DUNN,
Feeding Hills Congregational Church,
Feeding Hills, Mass.:

Wish I could join you at your wonderful barbecue observing the 200th anniversary of Feeding Hills Congregational Church. Please extend my congratulations to your devoted members and friends of this remarkable achievement and my best wishes for a most enjoyable and memorable celebration. I predict it will begin a new era of even greater growth and progress in your outstanding record of dedicated religious leadership in the community you serve so well.

LYNDON B. JOHNSON.

DEAR REVEREND DUNN: One of the perhaps troublesome aspects of having served the American people in a position of high responsibility is, every once in a while, having to decline an especially prized invitation.

This is precisely my feeling as I read your delightfully phrased and very deeply appreciated invitation to attend the barbecue being given by the Feeding Hills Congregational Church.

Being profoundly aware of the religious heritage of our country and its great flowering in the New England area over so many years, and being convinced that today this heritage is of supreme importance in preserving our free system, I should like very much to join personally in your celebration. This being impossible, however, please convey my cordial greetings to all in attendance together with my ardent wish that the program will be rewarding and successful in every way.

Sincerely,

DWIGHT D. EISENHOWER.

Your invitation was highly appreciated—because of other commitments, however, I am unable to accept and I am just as sorry as I can be.

HARRY S. TRUMAN.

Tax Havens and Free Trade

EXTENSION OF REMARKS
OF

HON. JOHN H. DENT
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1962

Mr. DENT. Mr. Speaker, Much has been said about tax cuts, free tariff, competitive equality, and the price of goods on the open market.

Few remember the fight a few years ago when the very same forces, lined up in favor of this legislation, made every effort to pass H.R. 5 that added tax concessions for foreign investors.

Those of us who fought the Manufacturer's Association, the National Chamber of Commerce, the endorsement of the same labor leaders who now endorse this trade bill, the administration, the paid foreign nation lobbyists, the League of Women Voters, the majority and minority leaders, and in fact, face for face, name for name, and organization by organization the same groups who are this day determined to write into law the death knell of the U.S. industrial leadership.

In my small way, I fought H.R. 5 and pointed out the consequences of the further depreciation of our investment incentives within the United States. At that time about 1,600 American firms had already made their bids for flight from the U.S. high cost production economy and by one device or another were already producing or profiting from the tax haven legislation already on the books.

The Boggs bill passed the House, but failed in the Senate. In spite of this setback for further tax grabs by profiteering corporations whose whole interest in production and trade is basically economic greed, 1,400 more American firms have located abroad since 1958.

In order that the House know a little about the added incentives to American investors taxwise, I would like to put the rundown on tax havens as they are offered to U.S. companies.

Add this to the tax incentives given to U.S. companies by our laws, which incidentally will still be substantial even if the Mills bill, H.R. 10650, does pass cutting down some of the runaway tax benefits.

The points I make are two:

First. The proposal supported by the freetraders in 1958 and 1959 would have further depreciated our economy and in order to try to stop the inevitable economic crash, the supporters of H.R. 5 are now opposed to the so-called benefits it would give the United States making a complete about-face in their avowed political and economic philosophy.

Second. These same forces are proposing this new trade bill and I predict that even the most persistent supporter will hesitate to use the full powers granted under this act when the cold facts of the economic realities of the serious threats to our economy are faced up to.

I say in all seriousness that in 5 years not even the loudest voice now on the scene will be talking in a subdued whisper about their so-called benefits we are about to have bestowed upon us by the passage of this trade-killing legislation.

I present the tax-haven phase of this issue since it appears that the proponents either are ignorant of this serious angle or are determined to keep it hidden.

TAXES AND TRADE

Several European countries have long recognized that secondary industry deserves encouragement by favorable tax laws.

In Belgium it is now possible to manufacture some goods for export to the United States at laid down duty-paid costs below our domestic costs after taxes.

The Belgian corporate tax rate is about 40 percent and wage rates are not more than 50 percent of the Canadian rates. Under proper management Belgian labor is more efficient than Canadian. Investment allowances cut the effective tax rate to about 30 percent for expanding industries.

In the Netherlands, although the general tax rate has been high—now 47 percent, but to be reduced next year to 45 percent—industrial growth has been stimulated by investment allowances, accelerated depreciation, and subsidies in selected areas.

Switzerland manages to get along with an average top corporate tax rate of 30 percent and encourages new industrial establishments in some cantons.

Ireland gives a 10-year tax holiday for export industries—followed by a 5-year period of reduced taxes. Additionally, cash subsidies are available up to 100 percent of the cost of factory sites and buildings, 50 percent of the cost of machinery and equipment, and 100 percent of the cost of training workers and constructing worker housing. Also, dividends paid out of export manufacturing profits are tax free, and products may be sold in Britain duty free.

Denmark, with a 44-percent corporate tax rate, permits tax-free reserves of 15 percent of annual profits for industrial expansion, shipbuilding, and plant modernization, plus accelerated depreciation and a special 30-percent initial allowance.

Luxembourg grants investment allowances of 10 to 30 percent plus special tax reductions for foreign-owned industrial enterprises.

Spain offers a 50-percent tax-free investment reserve, and Portugal operates with a 17-percent tax rate.

Germany offers no special tax incentives except in border areas, but at present imposes tax at the low rate of 15 percent on distributed profits. Negotiations are under way with several countries, including Canada, to increase this tax to 25 percent. German combined rates of income tax on undistributed profits can run as high as 65 percent, but seldom reach this level in practice.

Comparison of the incidence of tax in Australia, Belgium, Germany, Italy, Luxembourg, and the Netherlands is difficult because of turnover taxes imposed upon every sale of goods or services.

In Germany the standard rate is 4 percent, and the pyramiding effect of the tax is a strong incentive toward verticle integration. Turnover taxes are usually refundable in the case of exported products.

France, with a 50-percent income tax, offers limited tax incentives to new industry in undeveloped areas. French turnover taxes are on a "value added" basis, and thus avoid the "tax on tax" effect of the comparable German levy.

The pattern that emerges from any study of European tax systems is that the small countries actively push tax incentives to attract industry. They not only want expanding employment opportunity—they want to increase skilled occupations to build their prosperity.

More than 1,400 American firms have established themselves in Common Market countries since 1958. They have done this in a variety of ways—by licensing arrangements, joint ventures with European partners, and the establishment of manufacturing subsidiaries.

They have also taken advantage of European "tax shelters"—principally Switzerland—to an extent that has induced the U.S. Treasury to press for enactment of the now famous Mills bill—H.R. 10650.

It has been common practice for many concerns to establish Swiss sales affiliates which purchase products from an affiliated plant in, say, Germany, for resale around the world. Profits of the sales company are taxable at rates ranging from 10½ percent to 15 percent. Suitable Cantons for such domiciliary companies are Geneve, Vaud, Basle-Stadt, Zug, and Fribourg, to name a few.

Where sales are to EEC countries, the Swiss sales companies sometimes work on a commission or fee basis. Intercompany pricing policies and the amounts charged manufacturing affiliates as fees, commissions, royalties or "know-how" payments are subject to review by the fiscal authorities of the country in which manufacturing takes place, and have not, until recently been a matter for concern to U.S. revenue officers.

Canadian companies operating manufacturing subsidiaries in Europe are free to use "tax shelter" trading companies, and indeed must do so in many cases in order to maintain competitive equality with continental and U.S.-controlled firms, as well as with British oversea trade corporations which operate on a tax-free basis outside Britain.

For Canadian manufacturers looking for export markets, foreign operations must be conducted on a low-tax basis in order to be competitive. I do not mean that highly taxed foreign profits necessarily make for higher and the noncompetitive foreign prices. I am basically concerned with the rate of reinvestment abroad of after-tax profits, which, if high, gives a long-term overall competitive advantage through mass production and low-cost merchandising.

Our main concern should be: How to induce manufacturing in the United States. And my answer is: Learn from the example of the Dutch, the Belgians, and the Swiss. Make manufacturing in the United States pay more than manu-

facturing behind the EEC tariff wall, and make the United States a tax shelter to match the best in Europe.

The Swiss demonstrate no signs of embarrassment when told that their country is a tax haven. Neither do the Dutch, the Belgians, or the Irish.

They are small and perhaps weak nations who want full employment of an intelligent, skilled population.

They, unlike ourselves, have been prepared to do something about it. They cannot sell newsprint and iron ore to Japan, or wheat to India. But they can outproduce and outsell the U.S. manufacturers in almost any foreign market, in spite of their small size.

Speaker McCormack Salutes Boy Scouts

EXTENSION OF REMARKS
OF

HON. ED EDMONDSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1962

Mr. EDMONDSON. Mr. Speaker, a memorable part of this year's Congressional Charter Banquet of the Boy Scouts of America, on June 14 in Washington, was the inspiring address of our distinguished and beloved Speaker, the Honorable JOHN MCCORMACK.

In his thoughtful message, the Speaker not only saluted this great boys' organization for its 44-year record of public and community service, but also challenged Scouts and Scout leaders all over America to face up to the unprecedented challenges of this era in our Nation's history.

Our Speaker's address not only has significance for Boy Scouts, but should inspire Americans of all ages and all creeds.

For this reason, the full text of Speaker MCCORMACK's address follows:

Mr. Toastmaster, reverend clergy, Justice Clark, General Gruenther, my distinguished colleagues of both branches of Congress, ladies and gentlemen, in honoring the distinguished recipients of your highest award, U.S. Senator CARL HAYDEN and Congressman CARL VINSON, your great organization honors itself, for you are honoring tonight, two great men, two good men, both outstanding Americans and dedicated legislators. Our beloved country is most fortunate in having these two dedicated legislators serving in the Congress at this period of the world's history, for they are both legislators of great ability, keen vision, outstanding courage, occupying very important legislative positions, and who stand for a strong America in the face of the evil threat of atheistic communism.

I am so happy to be with you tonight to join with you in honoring these great Americans.

Mr. Toastmaster, the membership of the Boy Scouts of America is not hampered by the deadweight of inactive and uninterested people who pull the organization down into an unmarked or bottomless pit. All members of the Boy Scouts have the opportunity to participate, all have the opportunity to contribute to a far-reaching program which encourages high standards of citizenship.

You believe in participation and the Scout oath contains these words, "To do my duty to God and my country." It is as natural then, as the day follows the night, that you would be interested in thinking with me about features of your program that deal primarily with character development and citizenship.

Looking back to the days of my youth, by comparison to the youth who are Scouts today, it would seem that our generation was turned out into the world armed only with an air rifle and a Scout knife and told to hack our way through the jungle ahead.

By comparison the boys of 1962 are almost equipped with pushbutton space suits and hip-pocket radar equipment. But I hastily add the Scouts of this space age are going to need all the wisdom of the past, all the knowledge of the present, and all the faith of the future to fulfill their destiny.

Your latest annual report, which was presented to me on March 22 of this year, which in turn was published by the 2d session of the 87th Congress of the United States as House Document No. 369, advises us that "As America's largest youth organization, scouting is making a significant impact today in more than 3 million homes. More than 1⅓ million adults are registered in various phases of scouting, indicating their deep-seated interest as they give freely of their time so that boys may grow into better citizens."

Your 52d annual report also emphasizes these two phrases: "Strengthen America" and "Character Counts." Therefore, I again remind you that it is seasoned adult experience and guidance, combined with the fresh and outgoing spirit of youth, the combination of the old and the new we might say, that makes Scouting a worthwhile subject.

In your expanding program it is well to keep in mind that our youth should be interested in and excited about the causes of America's greatness. Next month, on July 4, 1962, this Nation will celebrate the 186th anniversary of its independence. In 1776 we were a loosely bound group of colonies strung along the east coast of this continent. The United States was an infant among the nations of the world. Since 1776 we have spread across the entire length and breadth of this land. From the Atlantic to the Pacific and from the Canadian border to the Gulf of Mexico. But the United States did not succeed by chance alone.

The Declaration of Independence brought about something new in man's desire for freedom. Before 1776, practically everywhere the state was supreme. The citizen was merely a creature of the state. In America we broke the bonds that formerly hedged us in. Visions for mankind were widened. New horizons appeared.

From an infant nation, there has sprung a union of 50 States. Out of an atmosphere of freedom there has grown a system based on individual initiative that has given us the power to produce and develop in a way never heard of before in all history. As we analyze the warp and woof of America's tapestry of greatness, we find that the strength of the fabric lies in the freedom of the individual.

Our youth—the citizens of tomorrow—must be impressed with these basic facts about America's past. Without these impressions, they will be unable to fulfill the goals of the future.

We can take it for granted that the boys of scouting, in their search for fulfilling their program, hear time and time and time again the phrase: "The challenges to youth today are leadership and service." No matter how shopworn these words, they are true. We need more leaders in all spheres of human activity.

It is not uncommon to hear the remark that great men were born leaders. Such a remark implies that the qualities which made men great leaders were inherited rather than built in through training. Careful study of the lives of great men convinces one that they did not depend upon inheritance alone for their goals in life. For example George Washington and Benjamin Franklin and so many others worked out definite plans whereby they might improve themselves. Theodore Roosevelt advocated the strenuous life and was ever alert to improve himself physically and mentally. He highly approved of the Boy Scout oath and law.

The story of the Boy Scouts of America and its achievements, the story of several million Americans whose ideas and lives were moulded in some measure on the concept of the good turn, the Scout oath, and the Scout law, began with the story of a boy giving a helping hand to William D. Boyce, a Chicago publisher, who was lost in a London fog. Boyce had hesitated at a street intersection and out of the London murk the boy emerged. Details about his clothes, his appearance, his way of speaking are unavailable. But we do know that he approached Mr. Boyce and asked if he could be of service.

It was because of this small act of giving himself at a time when one lone individual needed it, that the Chicago publisher later visited the Boy Scout headquarters in London. He became so enthusiastic about the Scout program that he returned to America with a suitcase crammed with booklets about the Boy Scouts. So it was in 1910 the Boy Scouts of America entered upon a highway of service and has since found itself being a vital influence for good in every section of these United States.

The regular Scouting program with its ideals as revealed in the promise of every Cub Scout, Boy Scout, and Explorer will continue to chart the course for future leaders. It will continue to build character and assist in the building of leadership. The den, the patrol, and in fact, the entire organizational structure of scouting, teaches democratic action.

The partnership of youth and age constantly needs strengthening. It is my belief—as it is yours, that in the years that lie ahead, the human race must retain every thread of freedom. The world is growing too small to remain divided into compartments.

Democracy now faces a tremendous test. It has demonstrated its superiority in our land. But democracy must continually prove itself; just as a Boy Scout must meet test after test to reach his goal, and to maintain and improve his rank.

It is important that the boys in the scouting program know that they are fortunate to live in this particular world. Its uncertainty can become a tonic; its ugly aspect a challenge; its dangers, an invitation to become mature citizens with broad vision and strength of character.

We look with pride to the fact that five of our seven men trained as astronauts in the National Aeronautics and Space Administration's Project Mercury were Boy Scouts. Air Force Capt. Virgil I. Grissom, who made the successful second trip into space on July 21, 1961, was a Star Scout at Mitchell, Ind. He has stated that he believes, and I quote, "Boys should take a deeper interest in scouting, not just for the fun of it, but because of the greater interest it creates in our country." Lt. Col. John H. Glenn, the first American to orbit into space around the earth, is an associate Explorer adviser and father of a Scout. He has stated, "I know of no group I would rather be associated with than the Boy Scouts of America."

Late in November of 1960 the President's Commission on National Goals submitted its report and the keynote of this valuable study is well worth repeating. It states:

"In the 1960's every American is summoned to extraordinary personal responsibility, sustained effort, and sacrifice. For the Nation is in grave danger, threatened by

the rulers of one-third of mankind, for whom the state is everything, the individual significant only as he serves the state."

I have great confidence in the ability of the Scout leaders, and the boys themselves, to create a responsible citizenry—a citizenry that will share in solving the problems of our times. It is imperative that the Boy Scouts of America continue to regard freedom not as a gift but as a task; to truly believe that all men are equal under the law, and to uphold the fundamental worth of every individual regardless of race, color, or creed. Our youth must be taught to know the major issues facing our Government—at all levels; but most important of all to learn more about these issues and to hold intelligent opinions about them.

The membership of the Boy Scouts of America are important at all periods of our country's history, and particularly during this period of world strain. How long this period of world history will last no one knows. But we do know it will probably last a long period of time.

And the Scout of today will assume the fullness of citizenship in a few quick years, with the duty and responsibility of preserving and strengthening our beloved country.

And the training and experience of a Scout, the building of character, of integrity, the intensification of faith, love of God and neighbor, and love of country, will be a powerful factor in making each Scout's contributions to our country's future greatness all the more outstanding.

The Scouts of past years are leaders in American life of today. Scouts of today will be the leaders of tomorrow.

American Land-Grant Colleges and Universities: An Anniversary Year

EXTENSION OF REMARKS

OF

HON. JOHN C. WATTS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1962

Mr. WATTS. Mr. Speaker, it is my pleasure to salute the land-grant colleges and universities of this Nation upon the occasion of the 100th anniversary of the signing of the Morrill Act of 1862 by President Lincoln. The Morrill Act instituted our system of land-grant colleges by authorizing grants to the States of land or scrip for the establishment of institutions of higher education. A review of the history of higher education in America reveals that the 1862 Land-Grant College Act is one of the earliest expressions of national interest in higher education for all capable people.

As you perhaps know, the land-grant college movement rose out of a great concern that higher education in America be available not only to an elite group, but for all who might profit from a meaningful program of college or university study. As Dr. Edward D. Eddy, Jr., reports in the "Land Grant Fact Book":

> The term "land-grant college" is used to designate a group of 68 institutions of higher learning in the United States which were founded or substantially developed during the latter half of the 19th century by an act of Congress.
>
> The colleges were founded out of protest against the limited opportunities in both curriculum and admissions in the traditional classical college. The widespread national interest in practical education for the sons and daughters of the working class (which then included all but the very wealthy) led to the passage by the Federal Congress of the so-called Morrill Act of 1862.

At the time of the signing of the Morrill Land-Grant College Act, this Nation was enveloped by the gloom and despair of a civil war.

Yet, even during those times of distress, men and women of vision were seeking to provide for the education and training of young people in whose hands would rest the responsibility for the building of a united nation founded upon the principles of freedom and democracy.

The history of the land-grant college movement is a vivid part of our national record of progress. Today, some 100 years after the signing of the Morrill Act, there are 68 land-grant institutions in the States and Puerto Rico. The educational programs of these schools go far beyond an emphasis upon agriculture, mechanic art and military tactics—three of the major areas of concern at the time of the Morrill legislation. The curriculums of our land-grant colleges and universities embrace study which ranges from the humanities to the exact sciences; from agriculture to the performing arts; and from mechanic arts to recreation as a new field for study and training.

Moreover, our land-grant institutions are currently enrolling over 20 percent of the college population. They are awarding over half of our doctoral degrees in science and engineering and about 40 percent of the doctoral degrees in all subjects. The emphasis given military science and tactics by land-grant institutions some ten decades ago is credited with having provided the origin for the present Reserve Officers Training Corps program. It is significant to note that through Reserve Officers Training Corps programs land-grant colleges and universities train about half of the Regular and Reserve officers of the Armed Forces.

Land-grant institutions have shared in many "firsts" in the realms of research and development. These institutions have assisted in the perfection of thousands of new crops such as hybrid corn and the soybean.

It was at land-grant colleges that two of the newer drugs, streptomycin and cicoumarol, were discovered; it was at a land-grant institution that the first cyclotron was developed; and land-grant institutions are to be credited for considerable pioneering research in television and the transistor. Without a doubt contributions such as these are clear evidence of the orientation of land-grant colleges and university programs to total national needs.

The President of the United States has called attention to the land-grant colleges and universities as representing fruitful results of cooperative Federal and State efforts in behalf of higher education. In his message in observance of the Land-Grant Centennial, Mr. Kennedy stated:

> These schools are one of the finest examples of our Federal system—the fruitful cooperation between National and State Governments in the pursuit of a decent education for all of our citizens. They are a monument to the fact that the cooperative effort of the Federal and State Governments is the best way to insure an independent educational system of the highest quality.

At the outset I called attention to the fact that the Morrill Act was signed into law at a time of crisis resulting from civil war. Today we are involved in a situation of world crisis resulting in large measure from a cold war conflict between the opposing philosophies of democracy and various "isms" which would—in the case of democracy—promote the dignity of the individual and—in the case of totalitarianism—subjugate the individual to the will of a superstate or powerful few.

Even against this backdrop we are able to see the great promise of the land-grant college philosophy and approach to education.

We well know, for example, that the promotion of health, general welfare, literacy and quality higher education are four of the major challenges before the leadership of many of the new free nations. In my opinion the land-grant college approach to education through extension services which take learning to the people might well be instituted by many of the newly free nations and other nations which are yet underdeveloped. No doubt other approaches to educational service to the community and the larger society as these approaches have been developed through land-grant institutions can and will provide guidelines for countries now faced with self-government, new freedom, and the challenges of diversified programs for mass education.

In 1961, Assistant Secretary for Educational and Cultural Affairs Philip H. Coombs spoke to this general idea in an address before the Centennial Convocation of the American Association of Land-Grant Colleges and State Universities. Mr. Coombs pointed out:

> In the midst of this tough testing of our own cherished values all around the world, it is not surprising to find many of our land-grant institutions in the vanguard of those promoting better living conditions, better education, greater opportunity, social justice, and freedom in the far corners of the earth. Their traditional hallmark of practical service to the community, one applied to a local and State constituency, then to the whole Nation, has now been broadened to an international constituency.
>
> In many foreign countries, developed and less developed alike, the contagion of practical university service to the community is spreading rapidly. The land-grant colleges can take pride in the fact that their once distinctive characteristic is now being nationalized and internationalized, not as a carbon copy of their particular curriculum, organizational structure, and methods but as a compelling idea which can be adapted to appropriate local needs and forms in any nation.

Mr. Speaker, I am proud to add my voice to the many who are commemorating the 100 years of service to the Nation through land-grant institutions. I take great pride in pointing to the work of two land-grant institutions in my State—the University of Kentucky and Kentucky State College. Both of these schools have been an important part of the splendid land-grant college

movement. If we may in any manner look to the past for indications of the future, I know that land-grant colleges and universities in America will continue to expand in scope and influence in the next hundred years.

A New Republican Offensive

EXTENSION OF REMARKS
OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 29, 1962

Mr. CURTIS of Missouri. Mr. Speaker, I place in the RECORD a timely and thoughtful statement by the Senator from New York, the Honorable KENNETH KEATING.

This is a matter of great concern both to Republicans and to all citizens, Independents, Democrats, and apathetics.

The statement follows:

A NEW REPUBLICAN OFFENSIVE

(By Hon. KENNETH B. KEATING, of New York)

Tomorrow a group of distinguished Republicans will make a pilgrimage to Gettysburg, Pa. Overlooking the grassy battlefield immortalized by the first Republican President, Abraham Lincoln, they will confer with our most recent Republican President, Dwight D. Eisenhower.

Their objective: to map strategy for the complex modern battlefield on which today's political wars are fought and to develop a newer and stronger base of Republican power, the "all-Republican conference," in an effort to wrest a degree of political and public relations initiative from the Democrats.

How well this is done can determine the thrust and affect the outcome of the Republican effort this November. And on the pivot of 1962 turns hope for a Republican comeback in 1964.

In military terms Republicans are storming a fortified position from the base of a cliff. A staggering prospect, but in my opinion, an achievable one.

At Gettysburg, General Eisenhower's guests will be acutely aware that Democrats hold two towering advantages: They possess the levers of political power residing in a 4-year lease on 1600 Pennsylvania Avenue and congressional majorities standing at about 2 to 1 in the Senate and 3 to 2 in the House of Representatives. They have shown, moreover, an enthusiastic aptitude for pressing those levers in a manner to produce thunderous chords of publicity.

In the tug of war for the minds and hearts of America's voters, propaganda is a mighty weapon. It can develop issues. It can win elections. No one realizes this more clearly, or personifies it more uniquely, than the present incumbent of the White House. Polling Congressmen for their evaluation of him after 1 year in office, a well-known news magazine found bipartisan respect for the Kennedy public relations flair. A consensus, in fact, considered it his prime asset.

A normal week's crop of headlines, radio and television newscasts underscores the dominance of the personable, populous, peripatetic and publicity conscious First Family. Horses, dogs, children, yachts, movie colony buddies, and gala society events create as much or more news copy than governmental endeavor, and in the final tally probably constitute a political "plus."

Contrast this with the tiny band of elected Republicans, lacking the White House control tower, seriously understaffed in Congress and hamstrung by financial woes.

The imbalance is unhealthy. It is not so much a threat to Republican strength, although that unquestionably exists, as it is to national well-being. How can Americans, called upon to resolve critical foreign and domestic issues, perform as thoughtful, informed voters without exposure to all views, without no-holds-barred intellectual crossfire via the mass media?

Blame for the current information gap rests on the doorsteps of both parties and the press. Together, by default or intent, we have created a Democratic communications colossus straddling the Potomac, its giant shadow looming from Bangor to Honolulu.

Is there a Republican course of action to counter effectively our minority status in the public relations battle and ultimately reverse the political tides? Indeed there is.

Before suggesting directions Republicans might consider, it is important to separate mentally what a party is and what it seems to be on the Nation's front pages and TV screens. The most brilliant public relations effort can only temporarily boost a political party which does not truly serve the people. Action makes news, but only to the extent that a political party generates constructive action will it obtain long-term propaganda value, or, put another way, consistent support at the polls, for itself and its candidates.

"You do not go into politics to get something," one of the most successful politicians I know once confided. "You enter politics to help." He had touched the nerve of political wisdom, the essence of winning elections, the secret of creating a favorable response. From time to time this principle is violated and voters are hoodwinked by slogans versus substance, but not over the long haul.

The challenge, and the obligation, for Republicans is to communicate their more responsible and frequently more complex party positions. It is relatively simple to convey a politically expedient message. It is infinitely more difficult to develop the case for America's long-term good. Yet that is what must be done. And it must be done well enough to outclass oversimplified "good guys versus bad guys" propaganda, a Democratic specialty born in the days of the New Deal.

President Harry Truman, in two expedient words, tagged a Republican Congress "do nothing" as he whistlestopped to victory in 1948. The tag disintegrates when one recalls that the 80th Congress, among other things, authorized the Marshall plan, passed the Defense Unification Act, cut taxes, and balanced the Federal budget for the first time in 17 years. Refuting such a slogan takes thought, words, and the will to resist the pat political phrase in the interest of responsibility.

Americans, it seems to me, are outgrowing their receptivity to sloganeering. Many find it insulting. The mental age of the average voter, I hold, has risen far above the oft-quoted 12 years. A hunger for political ideas appears to be invigorating the Nation at this moment when Government leaders offer so little that is exciting or provocative.

Those who expected a refreshing shower of new ideas from the incoming administration are wallowing in the tepid waters of warmed-over spending schemes from the thirties and wading through eloquently repetitive mimeographed messages from the White House. Unemployment, Cuba, and discrimination, so passionately and critically inveighed against during the campaign, are still with us.

It follows that Republicans have a magnificent opportunity for creative, meaningful answers. In today's world, these will not be simple. The population rush to America's cities produces slums and crime. Our farmers shoulder new burdens brought on by overproduction and foreign competition. Such problem weeds flower into political issues, and on such issues elections are won or lost.

In light of these and many other deeply held convictions, I wrote Senator THRUSTON B. MORTON, then chairman of the Republican National Committee, after the narrow Nixon-Lodge defeat in November 1960. I proposed an "all-Republican conference" to serve as a top-level party public relations and advisory body. The idea has collected support and now is coming to fruition under the leadership of the current chairman, Representative WILLIAM E. MILLER of New York.

As a result, General Eisenhower will play host at this first strategy session to a wide spectrum of Republican officialdom, from former Vice President Nixon through an array of erstwhile Cabinet officials, agency heads, diplomats, Governors, congressional, and political leaders.

Bracketed into ARC will be the 12-man congressional team, of which I am a member, which recently produced a "declaration of principles," hailed in many quarters as the Republican 1962 campaign platform.

ARC is expected to become, in a sense, the microphone for those principles. It is my eager hope that such a body, adequately staffed, will provide a new forum and a ringing new voice to clarify, dramatize, and publicize affirmative Republican positions and to challenge the opposition.

A key word in this projection, however, is "staff." Few people outside Washington realize the need for researchers, lawyers, investigators, writers, and other technical aids to study, develop, and publicize party positions. Official demands, endlessly devouring the days and nights of our lawmakers, place qualified assistance at a premium.

Behind the scenes, a Capitol ferment on this very point could erupt into a sizzling political issue. The number of professional staffers assigned to majority and minority members of the 30-odd committees which do the hard-core work of Senate and House recently triggered a Republican-Democrat feud when a head count revealed the Republicans severely shortchanged. While Congress itself splits roughly into two-thirds Democrats and one-third Republicans, Senate committee staffs are about 12 to 1 and House counterparts 14 to 1 Democratic.

Cut off its professional aides and a party can be rendered mute. Republicans, therefore, find themselves victimized by the glaring imbalance and deprived of a vital conduit for communicating with America.

Keenly aware that they were slashing a political jugular, Democrats recently, by a straight party line vote, killed a measure to raise the Republican staff ratio initiated by Senator CARL CURTIS of Nebraska and myself. On the House side, the fight led by able Representative THOMAS B. CURTIS of Missouri is fiercer and the stakes larger. The Republican bill in the House would open the way for minority Members to obtain up to 40 percent of a given committee's professional and clerical staff.

While no Democrat has challenged its merits, a stone wall of opposition has been thrown up. The situation, of course, is intolerable for Republicans, but thus far has received relatively little notice in the press. The one columnist who has seen fit to hit it hard calls it "a scandal of national proportions" which goes to the "very vitals of our two-party system."

Here, it seems to me, is issue No. 1 for the all-Republican conference.

Given proper staff in Congress, buttressed by a well-staffed Republican National Committee and ARC, plus long overdue Republican staffing in the big metropolitan centers, our party will possess the men and machinery to develop issues properly and take its case to the people.

To attract the allegiance of thoughtful persons, it is important that we crystallize how we differ from Democrats.

Any attempt to identify us with a philosophy of privilege or inertia is historically inaccurate. We Republicans are not Tories. In terms of the great division of political opinion which occurred in the 17th century, the Republican Party springs from the Whig, rather than the Tory, branch. Our Whig ancestors fought for freedom in the American Revolution against the Tory brand of absolutism.

What, then, is Republican philosophy in terms of 20th-century America? No party has a prouder set of credentials, for ours are principles resting upon human values no less than commonsense.

Republicans have no cleavage on the great concept of equal rights for all citizens, regardless of race or color.

Republicans, maturely aware of the welfare of future generations, support Government thrift to avoid saddling those to come with debt and taxes.

Republicans, on the record, have shown understanding and practical know-how in programs of health care, social security, and education.

Republicans, on the record, have kept the Nation at peace.

Two-thirds of the tax cuts since 1913 have been granted by Republicans.

To spell out clearly the meaning of these contrasts with the opposition, we must engage in a battle against cliches. Surely no political party could do greater service to the Nation than to discredit the cliche mentality in politics. I cite a few samples which have been parlayed into household words and gains at the polls:

The Hoover depression: Walter Lippman has written, "All the main features of the Roosevelt program were anticipated by Mr. Hoover." Hoover's efforts at reform—in banking, new security issues, regulation of power companies, and revision of railway regulations—were blocked by Democrats in the House of Representatives.

Those rich Republicans: Republicans, it is fortunately true, have Nelson Rockefeller. Democrats have Averell Harriman, Franklin D. Roosevelt, "Soapy" Williams, John F. Kennedy, Lyndon Johnson, Senators Joseph Clark and Robert Kerr, Neil Staebler, and many other millionaires.

Let's get this country moving again: During the 2 years in which President Eisenhower had a Congress of his own party, Republicans established the Department of Health, Education, and Welfare, passed the St. Lawrence Seaway law, granted history's biggest tax cut, brought peace in Korea, extended social security to 10 million persons and unemployment compensation to 4 million, and wrote a vocational rehabilitation law which continues to bring new lives and new jobs to hundreds of thousands of handicapped persons each year.

Nothing remotely comparable has come out of the last 18 months, during which the President has had overwhelming Democratic majorities in the Congress.

Republican obstructionists: The recently passed manpower retraining law, first measure to hold real hope for our unemployed, is essentially a Republican measure and at this writing the only law of significance passed this year. Obstructionism has come only from Democrats filibustering against civil rights legislation.

In evolving specific positions, I urge that every Republican measure his own stands against the basic tenets I have spelled out—a progressive posture on civil rights, Government economy and lower taxes, cooperative and practical Federal-State assistance programs, and a foreign policy based on firmness and military strength.

One of our shortcomings has been a tendency of some Republicans to hang these principles on the wall like a "God Bless Our Home" cross-stitch sampler. The acid test for our party will come in the vigor with which we apply these principles, the fierceness with which we fight for them, the eloquence with which we utter them.

Certainly it has not been lost upon the Nation that the 1960 Republican platform pledge on civil rights is honest and practical, that Republicans—in contrast to the administration—introduced bills to implement it and worked hard for legislation. We should continue to emphasize this issue.

In contrast, the Nation never has fully realized the soundness and good sense of Republican farm proposals. More work needs to be done here. The wild attacks on former Agriculture Secretary Benson obscured the fact that Eisenhower's farm proposals were killed by the Democratic Congress, thus depriving the Nation of practical firsthand experience with them. Republicans must do a continuing job of highlighting the regimentation the administration's proposals place on the farmer, the unemployment it will breed, the reduction in farm income, rise in consumer prices and bloated bureaucracy which are bound to follow.

Republicans, in my opinion, should work for tax relief in a variety of service areas—costs of medical and hospital insurance, costs of education—to help make these available to every American.

Republicans must work aggressively to tighten and enforce State election statutes to eliminate fraud and prosecute instances of fraud. In this they should be able to count on wide support from nonpartisan civic groups.

Republicans under no circumstances should misrepresent our Nation as second-best in prestige or military might in order to achieve political gain.

Republicans should continue to stand for firmness in foreign policy. The details of such policy should not become political campaign fodder but it must be obvious to all that firmness in Cuba, Berlin and Laos would have better served the national interest.

Republicans should favor a system of priorities in foreign aid, giving preference to those nations whose principles resemble most closely those of the free world.

Republicans should work toward a Federal Government which serves, rather than dominates, the people.

Far from academic generalities, these are stirring battle cries, which can rally men and women who genuinely seek good government, and which can win elections.

From now on, in my opinion, the national party in power should be called upon to justify its record biennially. A series of debates between the Democratic and Republican national chairmen, patterned after the Nixon-Kennedy confrontations in 1960, would serve the public interest, clarify the position of the "outs," and force the "ins" to justify their use of the power granted by the electorate. If Democratic Chairman Bailey is unwilling to debate Representative MILLER in 1962—and there have been such indications—another Democratic protagonist should be put forward.

Fighting cliches also takes manpower. I propose that the Republican Party recruit about 500 highly intelligent young men and women, train them carefully in Republican principles, debate and public speaking, then assign them to the States to train in turn new party leaders and workers and to seek out candidate talent at all levels.

National political committees suffer from a power gap. Their responsibility—to build party organization year round in order to win elections at campaign time—is not matched by their authority, for rarely do they create or build issues. Issue impact comes from lawmakers in Congress. Every statement on taxes, agriculture, foreign policy or other current issues by a party chairman automatically alienates some of his regional troops. His tendency, therefore, is to shy away from the very matters which deeply motivate voters and indulge in vituperative buckshot of one kind or another.

These political realities can be outflanked by closer cooperation between the national committee and Members of Congress. The chairman, for example, could help to inspire and organize congressional task forces of members with common interests. Last year 50 Republican House Members engaged 25 college professors to study and develop, among other things, remedies for structural unemployment in the United States. The results—recommendations probing deeper and offering sounder courses of action than anything put forward by the Kennedy administration. The Democratic Congress has dragged its feet in acting upon them.

In the uphill struggle to better display Republican positions, normal news coverage is not enough. Publicity should be backed with paid advertising in newspapers, magazines, posters, car cards, radio and television. A regular weekly Republican telecast could put the party's story before the Nation in a dramatic and courageous way.

Labor, youth, intellectuals and the small businessman were prime targets of Britain's Conservative Party, when in 5 short years, it rocketed back to power from a position less promising than that held by the Republicans. Study of techniques used in the Tory resurgence will offer clues to higher Republican scores at the polls.

It would be naive to assume that Republicans can effect major organization buildups or shifts in public image without substantial outlays of money. Republicans must go to the people, launching a strenuous door-to-door campaign for funds. In 1960 34 million voters chose the Republican ticket. If only 5 million of these pledged $1 per month or $12 per year to the national headquarters, the financial worries of the Republicans would be over.

In "The Making of the President, 1960" Theodore H. White had this to say of the Republican Party:

"This is the party that abolished slavery, wrote the first laws of civil service, passed the first antitrust, railway control, consumer-protective and conservation legislation, and then led America, with enormous diplomatic skill, out into that posture of global leadership and responsibility we now so desperately try to maintain."

Such a party is worth fighting for.

If these comments seem to exhort Republicans, they are no less an exhortation to all voters. When a mature, responsible political party puts forward thoughtful proposals for good government, Americans are called upon to reciprocate with what is best in themselves, to abandon the political platitudes by which many of us have lived, to shun the slick and the expedient, to think long and carefully about what is best for America.

At his news conference this week, President Kennedy complained about the lack of Republican support for his legislative program. In my judgment, Republicans are more than willing to join in any coalition for the public interest.

This is what the President should be working for if he wants action on a program for America rather than partisan issues for the November election. There is no reason for Republicans to swallow whole every detail of the President's legislative recommendations. We have shown on more than one occasion that we will back sound proposals regardless of their origin. If the President prefers to use Republicans as scapegoats for the failure of his legislative program in an overwhelming Democratic Congress, that is his prerogative. I believe he would achieve far more

for the Nation if he took positive steps to work with Republicans on these vital questions in order to obtain the best possible program.

The all-Republican conference is proof that Republicans are determined to play a constructive role in building a sound and progressive future for Americans. Let the President meet us part way, and he will find much less to complain about in the performance of both parties in solving our Nation's problems.

Good Work, Mike

EXTENSION OF REMARKS
OF
HON. WM. J. RANDALL
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Friday, June 29, 1962

Mr. RANDALL. Mr. Speaker, the Fourth, Missouri District has recently been honored when Michael C. Gilliland, of Independence, Mo., became the first student of the School of Journalism of the University of Missouri to be chosen a Morris E. Jacobs fellow.

Mr. Speaker, we take this means to publicize this honor because too much newspaper space is always given to the omission and wrongdoing of our youth and far too little publicity to their worthwhile achievements. We congratulate Mr. Gilliland upon this well-deserved fellowship for which he will receive a check in a substantial amount and as an additional award will be given office training by a well-known Kansas City advertising firm.

The fellowship will become an annual award and carry with it the privilege of further training by associates of Jacobs. Honors of this kind are not an exceptional thing for our young friend because Gilliland, when a former student at the University of Missouri, was general chairman of the journalism school's 50th anniversary celebration in 1958. Yes, honors seem to sort of be attracted to Mike Gilliland, but only because he deserves them. He was graduated this year with the degree of bachelor of journalism, specializing in advertising. He was on the university honor roll, and a member of Kappa Tau Alpha, national scholastic fraternity, which membership is limited to students in the top 10 percent of the class. He is also a member of Alpha Delta Sigma, national professional journalism fraternity.

This fall our honored constituent will return to the University of Missouri to work on his master's degree under Dr. William Stephenson, professor of research, to specialize in copy testing.

The University of Missouri School of Journalism was the first separate school for journalists in America and has long been recognized as a leader in the field of training for an advertising career.

Mike, all of us are proud of you—your many friends, your Congressman, your home city, even the entire Fourth Missouri District. Best wishes for a successful career.

So Long, Doctor

EXTENSION OF REMARKS
OF
HON. CECIL R. KING
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 29, 1962

Mr. KING of California. Mr. Speaker, I wish to present another example of a practice of organized medicine throughout the Nation in their campaign to prevent the people from being made aware of the facts in connection with the proposal for health care for the aged under the Social Security Act.

To the great credit of David Newby, publisher of the Boonville (Ind.) Enquirer this plan was exposed.

As long as we have publishers with such character and courage the freedom of the press will prevail, and Mr. Newby is deserving of high commendation.

I call this editorial to the attention of the House of Representatives together with a presentation of the article that stirred the ire of the doctor as a further illustration of how facts continue to agitate the opposition.

The editorial and article follows:

[From the Boonville (Ind.) Enquirer]

SO LONG, DOCTOR

An irate doctor called at our office Friday morning objecting to an article appearing in last week's Enquirer. The article, written by U.S. Representative CECIL R. KING (Democrat of California), cosponsor of the King-Anderson health care for the aged bill, gave the American Medical Association's 30-year record of opposition to every proposal before Congress dealing with the welfare of the American people.

The doctor submitted several questions or statements (some of which were in no way connected with the King-Anderson bill) along with other AMA propaganda opposing the King-Anderson bill, demanding that we publish the same in order to give equal space to the AMA views. In fact, he ordered his Enquirer stopped if we publish anything criticizing the AMA.

That was the straw that broke the camel's back. The Enquirer management has always tried to present both sides of a question. We have given several columns of space to AMA views through the "Doctor Talks" column, and we will continue to publish articles favoring the King-Anderson bill.

We have figured the amount due the doctor on the unused part of his subscription, and a check for the same is in the mail.

So long, doctor, it wasn't fun meeting you.

[From the Boonville (Ind.) Enquirer, June 14, 1962]

AMA RECORD PLACED BEFORE NATION'S VOTERS

(By Representative CECIL R. KING, Democrat, of California)

As progress toward the enactment of the King-Anderson bill appears more favorable, the spokesmen for the American Medical Association become more desperate and irresponsible in their efforts to defeat our bill.

The current AMA campaign of distorted interpretations of our health care for the aged bill is consistent with the association's reputation of opposing and being wrong on practically every major judgment they have made during the past 30 years with respect to proposals before Congress dealing with the welfare of the American people.

TRADEMARK DISTORTIONS

Scare phrases and distortions have been a trademark of the AMA since 1939 when it denounced the social security system as "a definite step toward either communism or totalitarianism." Since that time the AMA has propagandized the public with misleading scare charges against social security.

The AMA's viewpoint relative to the King-Anderson bill carries nothing but echoes of the familiar distortions of the past.

In 1949, the AMA continued to express opposition to the social security system by declaring through the scare techniques:

"So-called social security is in fact a compulsory Socialist tax. It has not provided satisfactory insurance protection for individuals where it has been tried but, instead, has served as an entering wedge for establishment of a Socialist form of control over the lives and fortunes of the people."

SCARE TECHNIQUE IN ACTION

It is noteworthy to acquaint you with the scare technique employed by the AMA in opposing the extension of social security benefits to the permanently and totally disabled at age 50. Their opinion expressed then was:

"To initiate a Federal disability program would represent another step toward nationalization of medical care and the socialization of medicine. This program constitutes a serious threat to American medicine at incalculable cost to the public."

The "incalculable cost to the public" which the AMA predicted was so low that the 1960 Congress found it possible to eliminate the eligibility limitation at age 50 and provide for those eligible at any age without an increase in social security taxes.

The AMA labeled the Old Age and Unemployment Insurance Act in the same terms as it applied to the social security system by declaring:

"'This act represents a weakening of national caliber, a definite step toward either 'communism or totalitarianism.'"

The House of Delegates of the AMA on more than one occasion adopted resolutions which disapproved the Sheppard-Towner Act, the original grants-in-aid program granting Federal funds to State health agencies to reduce the death rate among mothers and children.

Their opinion was: "This act is unsound in policy, wasteful and extravagant, unproductive of results and tending to promote communism."

SOCIAL SECURITY HUGE SUCCESS

Social security now enjoys universal recognition as a major factor for economic and social stability. The King-Anderson bill merely incorporates into the social security system a method of prepayment health care for the aged. This will make it possible for citizens to save with dignity during their working years for the protection of their health in later years.

Independence Day of the Somali Republic

EXTENSION OF REMARKS
OF
HON. ADAM C. POWELL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, June 29, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm falicitations to His Excellency the President of the Somali Republic, Aden Abdulla Osman; and His Excellency the Somali

Ambassador to the United States, Omar Mohallim Mohamed, on the occasion of the second anniversary of the Somali Republic's independence.

Mr. Speaker, on July 1, 1960, the Italian trust territory of Somali and the former British colony of Somaliland merged to form the independent democratic Republic of Somali. The 2 million people of Somali today celebrate the second anniversary of their independence, and I welcome the opportunity to salute this brave and individualistic people of northeast Africa. The larger portion of the new state, the former United Nations trust territory, was administered by Italy with the explicit understanding of the United Nations General Assembly that the Somali people would be granted their freedom by the end of 1960. The transfer of power was completed on July 1, 1960, when the Itailian trust territory was combined with Somaliland, which had received its own independence from the United Kingdom 6 days earlier and, in an act of farsighted statesmanship, renounced its newly acquired sovereignty in order to bring together the majority of the Somali people.

The Legislative Council of Somaliland and the Legislative Assembly of Somali were combined into a single National Assembly, and on July 22, 1960, a democratic government took office at the capital of Mogadishu, under the skilled leadership of Premier Abdi Rashid Shermarke. Two months later the Somali Republic took its place in the United Nations, and in June 1961 the provisional constitution of the new democracy was approved by the Somali people.

Today the leaders of the Somali Republic struggle courageously with the economic and political problems of their country on the eastern horn of Africa. Their achievements deserve our attention and the emulation of newly independent peoples around the world. The Somali people are striving to unify their country, to adopt the ancient Somali language to the needs of a modern state, and to perfect the country's budget and accounting systems. They are engaged in a challenging struggle against poverty, a struggle rendered more difficult by unprecedented floods which placed one-fourth of the country under water last August. Yet the Somali people have faced their problems with a keen understanding and they are moving ahead in the economic development of the nation. At the same time, the Republic strives to develop a national spirit consistent with the ancient traditions of the Somali people, traditions which are preserved today by over 120 tribes both within and beyond the borders of the new nation.

We in the United States consider it both a privilege and a fundamental obligation to cooperate with the Somali Republic in the development of this young democracy. The Somali Republic has received the advice of experts from the United Nations and the assistance of the United States and other countries; it should hardly be necessary to add that the friendship between the American people and the people of Somali is based on our respect and encouragement for the Somali desire for nonalinement in major international conflicts. Mr. Speaker, I congratulate the Somali people on the second anniversary of their independence and salute the achievements of this ancient people on the shores of the Indian Ocean.

Congressman Torbert H. Macdonald's Address on U.S.S. "Massachusetts" Before Massachusetts Veterans of Foreign Wars 42d State Convention in Springfield

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, June 29, 1962

Mr. BOLAND. Mr. Speaker, the 42d annual convention of the Massachusetts Department, Veterans of Foreign Wars of the United States, was held in my home city of Springfield last weekend, June 22, 23, and 24. The convention proceedings were presided over by my good friend, and fellow post member, State Commander Edward W. Hartung of Springfield.

The address to the assembled Veterans of Foreign Wars delegates and membership was given by our colleague, Congressman TORBERT H. MACDONALD of Massachusetts, about the future of the famous battleship of World War II, the U.S.S. *Massachusetts*. I ask permission to have Congressman MACDONALD's address included with my remarks.

The address follows:

SPEECH DELIVERED BY CONGRESSMAN TORBERT H. MACDONALD, DEMOCRAT, OF MASSACHUSETTS, BEFORE THE VFW STATE CONVENTION, SPRINGFIELD, MASS., JUNE 23, 1962

I want to thank Commander Hartung for inviting me to talk to you today about the future of the U.S.S. *Massachusetts*. Having been a delegate to VFW conventions in the past years, I am fully aware of your full agenda, and you may rest assured that I shall make remarks as brief as possible.

Time is growing short. If no action is taken in the next few weeks, the U.S.S. *Massachusetts* will be demolished and sold for scrap. Unless organizations such as the Veterans of Foreign Wars speak up, Massachusetts and the Nation will suffer a great loss.

As you are aware, the U.S.S. *Massachusetts* is no ordinary vessel. This great 15,000-ton battleship has had a long and honorable service in the U.S. Navy. In my opinion, the U.S.S. *Massachusetts* is the Commonwealth's most historic link with World War II. "Big Mamie," as she was affectionately called by her crew, is credited with the sinking of 3 enemy battleships, damaging 2 other fighting ships, destruction of at least 16 Japanese planes, and the bombardment of 9 enemy territories.

A mere listing of the awards earned by "Big Mamie" is dramatic evidence of why the people of Massachusetts are so proud of this gallant ship. Eleven battle stars were earned by the U.S.S. *Massachusetts* in these occupations: North African invasion, Gilbert Islands, Marshall Islands, Asiatic-Pacific raids, Hollandia operation, Western Caroline Islands, Leyte, Luzon, Iwo Jima, Okinawa Gunto, and Third Fleet raids against Japan.

If the U.S.S. *Massachusetts* is scrapped, we all will have suffered a tremendous spiritual and historical loss. The Secretary of the Navy promised me that the Navy will donate the U.S.S. *Massachusetts* to the Commonwealth if the donee—the gifttaker—is prepared to raise sufficient money to cover the initial costs of preparing the vessel for display. These preparation costs might range to about $200,000. The cost is high but an opportunity is presented whose worth cannot be estimated in dollars and cents.

Such a memorial would mean much more than preserving a gallant ship. It would honor the many men from the Commonwealth who served in World War II, and who acquitted themselves with such bravery and devotion. In addition, the physical presence of a ship like the U.S.S. *Massachusetts* would serve to remind generations to come of the sacrifices their ancestors made so willingly so that they might enjoy freedom.

Raising this amount of money would be difficult, but it can be, and has been done. The people of the States of North Carolina and Texas raised sufficient sums of money to make their State battleships permanent memorials. Aside from values mentioned earlier, the Massachusetts battleship exhibit would be self-supporting through modest admission charges and would become, in my opinion, one of the outstanding tourist attractions of the State.

I have been assured personally by the Department of the Navy that the scrapping of the *Massachusetts* will be delayed until the Commonwealth has had sufficient time to consider the possibility of raising funds to preserve her. Governor Volpe has received my proposal that he form a Battleship Commission to consider the feasibility of the project. As yet, he has not indicated the course he intends to pursue. If a Battleship Commission were appointed, I am confident that the people of Massachusetts would rally together to preserve this gallant ship. I have received letters from many individuals from all parts of the State indicating their interest in preserving the U.S.S. *Massachusetts* as a historical shrine and educational exhibit.

If you agree that the U.S.S. *Massachusetts* should not be destroyed and sold for scrap, if you believe that the people of Massachusetts will want to preserve this ship, then I urge you write to Governor Volpe to form a Battleship Commission.

Protectionism or Survivalism

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 29, 1962

Mr. DENT. Mr. Speaker, the American producers ask no more than an opportunity to compete on a nearly even basis. You would not ask the Washington Senators to play the New York Yankees with seven men against nine and the umpire a stockholder of the Yankee ball club. You would not match a plowhorse against a thoroughbred in the Kentucky Derby. You would not allow a championship match between a heavyweight and a flyweight boxer. How can you put an American workman up against a foreign worker in a battle of survival in the profiteering, exploiting trade jungle?

When we recognize this trade business as a business we will better understand the need for restraints, protec-

tive covenants, agreements, and above all policing power.

If this Congress believes the trade world is all milk and honey and that concessions giving the United States a trade or job advantage will come from the passage of this bill, then this Congress is either naive or has completely ignored the world history of trade since man first got mixed up in a deal involving an apple and a snake.

Again, if the world is so ready to give and take with each country writing its own rules and we put our trust in their good will, why do we have to have a full-fledged policing force to keep our own domestic, industrial and trading complex from destroying each other in the dog-eat-dog commercialism involved in the production and sale of goods?

Can any Member of Congress justify a vote for this legislation which is virtually stripped clean of congressional policing power and in fact opens up the road for the greatest industrial exodus since the textile industry left the Northeastern States for a lower priced production area in the late twenties and early thirties?

At least the industrial movement was confined to our own Nation, but the results insofar as New England and the textile areas of Pennsylvania were disastrous, and many of our communities have never recovered.

How many of you have seen a coal town die? Next to sending your son off to war there is no mortal anguish greater than the final paycheck in a closing plant where a man has spent his mature life working at a job or trade. Every now and then I go back to my hometown on the banks of the Allegheny. There is nothing left but the old gobpile, streaked with gray after these many years of summer sun and winter snows, the look of rejection and submission pictured in the rounded shoulders beaten by the rains and winds. There is a sadness about age and loneliness whether it be a person or a community.

If this legislation before us were less frank and less callous, and the injury to innocent workmen, to their families, the promise of industrial oblivion to our communities, the confiscation by legislation of a man's ingenuity and investment for the illusive goal called the common good, perhaps one would salve his conscience by pleading ignorance of the end results.

However, when the common good is pictured as a matter of dollar balances on one side and displaced workers on the other, I fail to see the benefits of the common good attainable under the act. Are we to believe it to be in the common interest to destroy the job opportunities of millions of workers in one field of endeavor in order to increase the income of certain sections of our Nation and jobs for certain groups.

In plain words how can we justify the exemption of the textile industry or the subsidized farm products because they cannot compete under the free trade policy embodied in this legislation, and then say to the workers in other industries and production fields, your job is to be sacrificed so that these workers who cannot compete in this unfair trade war can prosper.

Any Member of this House whose district produces mass consumption goods can be voting to destroy the economy of his area and the jobs of his people. Of course it will take time for the full impact of this legislation to become effective. The most we can expect will be in the hope and prayer that the President will, like his predecessor before, receive the powers and then not execute them.

I remember the do-or-die effect put into the 1958 extension of the reciprocal trade agreements. I remember the great drives for added jobs and the curtailment of oversea, runaway U.S. industries. We would be able to cut foreign aid because the trade balances would be used instead of aid. The results seem to be completely overlooked by the proponents of this legislation who are back again rushing the same promises, only louder.

Did we reduce unemployment? We did not. We actually have greater industrial, chronic unemployment today than we had in 1958.

Did we curtail foreign investment? We did not. We witnessed the greatest exodus in the history of the United States in any like period. There are 3,000 American firms overseas, 1,400 of them left the United States since 1958.

Did we stop the outflow of gold or reduce the claims on gold reserve? We did not. The claims against our reserves are now highest in all our history and the balance of gold last year in spite of the greatest trade balance buildup agreement between our Nation and our trading pools overseas, was actually $3½ billion.

Did we succeed in getting trade agreements that created a market for our goods because of concessions granted? We did not. The loss of U.S.-sponsored exports in the trade balance measured in jobs and work days turned out to be the greatest single contributor to the decline in our economy and our job opportunities.

Did the trade-instead-of-aid slogan produce results? It surely did. We gave away more jobs through trade than at any period in our history and our foreign trade expenditures are the highest in all history.

Let us not be dishonest to our people. This legislation will curtail employment opportunities for the Northern industrial high-cost production States and will swing this trade oppression benefits to the agricultural subsidy products area, to the Government-oriented business, to the internationally sponsored and controlled American enterprises, and the self-sufficient domestic owners of exclusive patents and processes which they lease to foreign producers.

In my humble opinion the size of the vote in favor of this bill is no credit to the membership of Congress, but rather a dubious honor to the "soap opera" tactics of the Madison Avenue boys and the freedoms enjoyed by the news media in editing the news.

I repeat that my main opposition to this legislation is the callousness of the admitted purposes of the bill to create injury to one group of citizens for the benefit of others.

I was not sent to Congress to close coal mines and domestic factories in order that underpaid cotton workers could be kept working at their expense.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 30, 1962

The House met at 12 o'clock noon.

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

Psalms 33: 12: *Blessed is the Nation whose God is the Lord.*

O Thou who art the supreme ruler of men and nations, in these strange and troubled days, we are reminding ourselves that the history and life of our beloved country, as a God-fearing nation, have their roots and inspiration in the primary fact and fundamental reality of religion.

When we study and look at the lofty ideals and ideas which rule our Republic, we find that this country was not discovered and founded by a motley crowd of atheists and agnostics, whose whole life was sodden in materialism, but by men and women who walked in the footsteps of God, for at the very center of our national life there is the altar of faith and prayer, erected by those God-fearing forefathers who took Thee into account and had respect for Thy divine order.

Help us to understand that if we fail to grasp this truth then we have no clue to the meaning of our enlightened civilization and culture and no conception and appreciation of those ideals and principles which are distinctly and definitely religious in character. Grant that we may feel that it is our inescapable responsibility to continue to hold high the banner of religious faith and freedom.

Hear us in the name of the Captain of our Salvation. 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 a bill of the House of the following title:

H.R. 8045. An act to change the name of the Hydrographic Office to U.S. Naval Oceanographic Office.

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

H.R. 8982. An act authorizing the Dow Chemical Co. to construct, maintain, and