mouth, either—that there was some consideration of the vote on rule XXII when the committee assignments were made. I do not know how anybody can read these figures without feeling that perhaps this is true.

Mr. CLARK. I make no charge; I have just stated the facts.

With respect to the freshman Senators, I point out that this resolution was not dependent in any way on giving them one first-class committee assignment. In my opinion, it could have been worked out so that they could have received two first-class committee assignments and still not have disappointed so many nonfreshman Senators in their ambitions.

Mr. President, I have several other matters to discuss; but because of the lateness of the hour, I shall terminate my discussion at this point and resume it tomorrow.

I thank the Senator from Illinois and the Senator from Wisconsin for their helpful intervention.

I yield the floor.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## ADJOURNMENT

Mr. CLARK. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 54 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, February 21, 1963, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate February 20, 1963:

IN THE MARINE CORPS RESERVE

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general:

William H. Klenke

Harry N. Lyon

The following-named officer of the Marine Corps Reserve for temporary appointment to the grade of brigadier general:

Sidney S. McMath

# HOUSE OF REPRESENTATIVES

## THURSDAY, FEBRUARY 21, 1963

The House met at 12 o'clock noon.

Rev. Felix Maguire, assistant pastor, St. Lawrence Church, West Haven, Conn., offered the following prayer:

Almighty God, we honor today the Father of our Country, George Washington.

We thank You for sending him to us when we needed him. We thank You for keeping his image, his name, his memory, and his deeds a beacon to direct our leaders over the difficult paths they travel.

Grant that we show our gratitude not by mere words but by the clear reflection in our deeds of the virtues that inspired him: that we have faith in You, in our country, its leadership, its people; that we be confident of Your strength to carry us forward; that we have freedom wherever we find it; that we be prudent, just, temperate, and strong. We ask this in Washington's memory and in Your name. Amen.

## THE JOURNAL

The Journal of the proceedings of Monday, February 18, 1963, was read and approved.

## MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

## GEORGE WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the order of the House of February 18, 1963, the Chair recognizes the gentleman from Utah [Mr. BURTON] to read George Washington's Farewell Address.

Mr. BURTON read the farewell address, as follows:

*To the People of the United States:*

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself, and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently want of success has countenanced the spirit of criticism, the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the

auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquillity at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth, as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, suffering and successes.

But these considerations, however powerfully they addressed themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south* in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a martime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyments of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliance, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This

government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power and the right of the people to establish government, presupposes the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations, under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state it is requisite, not only, that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be involved, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding of them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissention, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind (which nevertheless ought not be entirely out of sight) the common and continual mischiefs of the spirit or party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchical cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, Where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed, extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinions should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties), ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that in place of them, just an amicable feelings toward all should be cultivated. The nation which indulges towards another an habitual hatred, or an *habitual fondness*, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessary parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence (I conjure you to believe me fellow citizens) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interest.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as

experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
*17th September, 1796.*

## THE MARDI GRAS BALL

Mr. MORRISON. 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 Louisiana?

There was no objection.

Mr. MORRISON. Mr. Speaker, as chairman of the 1963 Louisiana State Society Mardi Gras Ball, which will be held in Washington at the Sheraton Park Hotel next Saturday evening, February 23, I am happy to announce the great State of Louisiana again salutes the Capital of our Nation on the occasion of the Mardi Gras.

As we have done each year since 1942, with the exception of the World War II years, the Louisiana State Society in Washington under the leadership of Felix Broussard, president, is bringing to the Nation's Capital a Louisiana Mardi Gras ball by way of a colorful pageant of color and glamour. The Mardi Gras Ball this year is dedicated to the great segments of the advertising industry—outdoor, radio, television, newspapers, and other advertising media, all of which are endeavoring to improve and strengthen the economy of Louisiana. Only by their endeavors are we able to continue to inform the world of the many resources of our great State of Louisiana.

In honoring this great industry, it was appropriate to select an executive from its midst who would truly be representative of the high standards in the advertising profession. A selection was made and his identity kept a secret until now, as is traditional with Mardi Gras balls. His Excellency, King Kevin Patrick Reilly, of Baton Rouge, La., fulfills all of the stringent requirements for one of his high positions.

Every Mardi Gras ball must have for its queen a person of regal position and possessing great charm and beauty. This year's selection has, indeed, upheld the high standards of Louisiana tradition and Miss Maurine Perez, coed of Louisiana State University, daughter of Mr. and Mrs. August Perez, Jr., of New Orleans, and Covington, La., will reign as queen of the 16th Annual Mardi Gras Ball of the Louisiana State Society in Washington.

We are most grateful, Mr. Speaker, that you have favored the Louisiana State Society by accepting the pleasant duty of escorting Queen Maurine during her grand entry to join her king.

Again Louisiana has been honored, Mr. Speaker, by the President of the United States, the Honorable John F. Kennedy, who has personally arranged a special tour of the White House, Friday morning.

The guest narrator and director for the grand pageant of queens this year will be Mr. Barnee Breeskin who is well known in Washington.

In Queen Maurine's court will be 27 beautiful princesses, who are the reigning queens of the various Louisiana festivals. Each queen is a Louisiana queen in her own right, having been selected by qualified panels of each State festival. We of the Louisiana delegation are intensely pleased that the people of Louisiana have again honored our Nation's Capital by making possible the visit of these lovely young ladies on the occasion of our Mardi Gras ball.

The festival queens who are princesses of the court are:

Miss Elizabeth Azar, queen of the Town House Order of the Troubadours, of Lafayette, La.

Miss Suzanne Bienvenu, queen of the Louisiana Fur and Wildlife Festival, of Cameron, La.

Miss Mariana Broussard, queen of the Southwest Louisiana Mardi Gras Association, of Lafayette, La.

Miss Mary Bush, queen of the Bogalusa Paper Festival, of Bogalusa, La.

Miss Gwendolyn Sue Cooper, queen of the Future Farmers of America, of Baton Rouge, La.

Miss Janet Dautrieve, queen of the Chalmette Tomato Festival, of Chalmette, La.

Miss Sharon Elliot, queen of the International Rice Festival, of Crowley, La.

Miss Joan Fagan, queen of the Louisiana Strawberry Festival, of Hammond, La.

Miss Charlotte Foreman, queen of the Vermilion Fair and Festival Association, of Kaplan, La.

Miss Linda Hansford, queen of the Louisiana Forest Festival, of Winnfield, La.

Miss Sandy Ann Hebert, queen of the Yambilee Festival, of Opelousas, La.

Miss Rosemary Hudspeth, queen of the Cotton Festival, of Ville Platte, La., and queen of the 1963 Sugar Bowl game in New Orleans, La.

Miss Carol Jackson, queen of the Louisiana Gulf Coast Oil Exposition, of Lafayette, La.

Miss Trudy Johnson, queen of the Delcambre Fish Industry Festival, of Delcambre, La.

Miss Cathy Kornegay, queen of the Louisiana Shrimp Festival and Fair Association, of Morgan City, La.

Miss Virginia LeBas, queen of the Louisiana Turnoi Festival, of Ville Platte, La.

Miss Patsy Lowderback, queen of the Holiday in Dixie Festival, of Shreveport, La.

Miss Sharon McClendon, queen of the Rose Festival, of Bogalusa, La.

Miss Becky McKenzie, queen of the Louisiana Peach Festival, of Ruston, La.

Miss Jeanne Morris, queen of the Louisiana Livestock Show and Festival, of Marksville, La.

Miss Pamela Munson, queen of the Louisiana Farm Bureau Federation, of Baton Rouge, La.

Miss Kathy Nastasi, sweetheart of the American Legion, of Bogalusa, La.

Miss Diana Mae Nicol, queen of the Louisiana Sugar Cane Festival, of New Iberia, La.

Miss Jane Parks, queen of the Louisiana Soybean Festival, of Jonesville, La.

Miss Betty Powers, queen of the Louisiana Dairy Festival, of Abbeville, La.

Miss Judith Waite, queen of the New Orleans Floral Trail, of New Orleans, La.

Miss Linda Yates, queen of the Ozone Camellia Club, of Slidell, La.

A royal court would not be complete, Mr. Speaker, without the maids-in-waiting. For the 1963 ball, they have been meticulously selected and they have been chosen to represent the vibrant beauty of the younger ladies, which is a tradition of Louisiana youth.

The maids-in-waiting of the 1963 Mardi Gras Ball Court are:

Miss Charlotte Reily, "Little Miss Louisiana of 1963," of Slidell, La.

Miss Rosemary Chandler, "Miss Catahoula," of Jonesville, La.

Miss Donna Lynn Felps, queen of the Pine Tree Festival, of Walker, La.

Miss Tara Duggan Flanakin, high school queen of the Louisiana Colony of the Washington Area, of Baton Rouge, La.

Miss Claridel Hurst, "Miss Wool of Louisiana," of New Roads, La.

Miss Lelone James, "Miss Merry Christmas," queen of the Natchitoches Christmas Festival, of Natchitoches, La.

Miss Cheryl Lirette, university queen of the Louisiana Colony of the Washington Area of New Orleans, La.

Miss Sally Nichols, college queen of the Louisiana Colony of the Washington Area, of New Orleans, La.

Miss Joe Elizabeth Ragusa, queen of the Easter of the Baton Rouge Easter Festival, of Baton Rouge, La.

Miss Diana Jane Smith, "Miss Louisiana of 1962," of Lake Providence, La.

Miss Catherine Thompson, "Miss Cover Girl," 1962 Louisiana Mardi Gras Ball program, of Ville Platte, La.

Miss Mary Stuart White, "Miss Louisiana Industry Queen," of Lake Charles, La.

## PROGRAM FOR WEEK OF FEBRUARY 25

Mr. BRUCE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to inquire of the majority leader the program for next week.

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

There was no objection.

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

Mr. BRUCE. I yield.

Mr. ALBERT. Mr. Speaker, the program for the House for next week is as follows:

Monday there will be several bills brought up by unanimous consent out of the Ways and Means Committee which were reported unanimously: H.R. 370, duty treatment of certain bread; H.R. 780, credit against estate tax for Federal estate taxes paid on certain prior transfers; H.R. 1597, tax treatment of redeemable ground rents; H.R. 1839, free importation of wild animals and wild birds intended for exhibition in the United States; H.R. 2053, temporary suspension of duty on corkboard insulation and cork stoppers; H.R. 2085, income tax deduction for child-care expenses in the case of women deserted by their husbands; H.R. 2513, marking of new packages for imported articles; H.R. 2826, taxation of dispositions of property pursuant to antitrust orders; H.R. 2874, tariff treatment of certain electron microscopes; and House Concurrent Resolution 57, designating "bourbon whisky" as a distinctive product of the United States.

I advise that these bills may not necessarily be called up in the order in which they have been listed, and also further that all of these bills passed the House in the last Congress.

Tuesday is undetermined. There will be a Chicago primary that day.

On Wednesday and the balance of the week there will be several resolutions out of the Committee on House Administration. These resolutions by number and title will be listed in the RECORD at a later time, probably on Monday.

I might advise the House that there will likely be rollcalls on Wednesday in connection with some of these matters.

Any further program will be announced later.

## ADJOURNMENT TO MONDAY, FEBRUARY 25

Mr. ALBERT. Mr. Speaker, at the close of business today we will have finished the business of the week. In view of that I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

## CALENDAR WEDNESDAY BUSINESS DISPENSED WITH

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to dispense with business in order on Calendar Wednesday of next week.

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

There was no objection.

## SERIOUS NATIONAL PROBLEM IN THE CITY OF WASHINGTON

Mr. WATSON. 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 South Carolina?

There was no objection.

Mr. WATSON. Mr. Speaker, while all of us are rightly concerned over the international situation, I feel that we have overlooked a most serious national problem right here in the city of Washington. As the Nation's Capital it should be a place of which all Americans are proud. Unfortunately, because of the alarming increase in crime, it is a place for which we must all be ashamed.

My deep concern over this alarming crime wave in our Nation's Capital was accentuated when it was reported that the major violence in Washington ran 17 percent last month over the rate a year ago. It is high time that we take positive and forthright action when our Congressional Secretaries' Club finds it necessary to provide police escorts for the members of our staffs when walking to the parking lot, just across the street.

Additionally, the press reports that Washington is the leader in crime increase throughout the Nation. It is appalling to know that among the 16 U.S. cities, with 500,000 to 1 million population, the Nation's Capital actually ranks first in aggravated assaults, second in robbery, and fourth in murders, and that while the crime increase was up 14 percent in the United States as a whole, Washington experienced an astounding increase of 41 percent.

Of course, everyone is concerned with the rehabilitation of youth offenders, but we cannot sit idly by and permit gangs of wild hoodlums to run rampant over innocent citizens. If parents refuse to discipline their children then let us terminate the outlandish welfare payments to them and give the children some instruction in correctional institutions. It is our responsibility, as ex officio city council of Washington, to demand corrective action by the local Commissioners, the courts, and the general citizenry to stop this criminal savagery.

Mr. Speaker, we should applaud the recent efforts of our District Committee

headed by our distinguished colleague, the gentleman from South Carolina [JOHN L. MCMILLAN], in combating this increased crime situation. The urgency of the matter should compel us to assure this committee in advance of our desire for immediate action and our support for their proposals. If it means new courts, correctional institutions, stiffer sentences or curfews, or perhaps increased authority to the police officials for the apprehension of these robbers, and rapists then we should meet the need forthrightly and immediately.

Mr. Speaker, unless action is taken immediately I fear the problem will reach epidemic proportions as soon as the Commissioners' unwise order prohibiting police from picking up young hoodlums for investigation is put into effect.

I understand from talking with Chief Robert Murray of the Washington police that this order which will seriously impair further police activities, is scheduled to become effective around March 15.

Are we going to face up to our responsibilities? Are we going to let Washington, the place which should be the envy and pride of the world and certainly of all Americans, become a place of shame or a place of pride? Are we going to let it be a city of laws or a city of lawless people? Are we going to let it be known as the seat of government or the seat of the godless?

Mr. Speaker, this is a serious problem. I fear for the safety of the Members of this body and the safety of the people of Washington, D.C.

Mr. Speaker, I urge again that the Members of this body join with me in urging the House District Committee to take positive and definite action in an effort to combat this serious problem.

## ANY WEAPON IN COMMUNIST HANDS IS AN OFFENSIVE WEAPON

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, the reported attack by Cuban-based Communist planes on an unarmed and disabled American shrimp boat in the Florida straits proves beyond a doubt that any weapon in Communist hands is an offensive weapon.

If there has been any doubt in anyone's mind up to now about the arms in Cuba, this incident should clear it up. One Soviet soldier in Cuba is one too many.

This incident should prove that we must stand ready to meet force with force and I have already urged through appropriate channels that the U.S. Government take necessary action.

I have asked the Department of Defense to give immediate protection to all American shrimp boats, and other American ships and planes operating off the Southeastern United States.

## NATIONAL DEBT REDUCTION LEGISLATION

Mr. ROGERS of Florida. 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 Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, today the Congress takes official note of the birth and life of our first President, George Washington. At this time it is fitting to recall once again the words of the Father of our Nation in regard to the public debt.

In his Farewell Address to Congress in 1796, Washington said:

> As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate.

Speaking of this same quotation on February 23, 1960, I pointed out that "we may fast see the day when the danger to our country economically may be greater than the danger militarily; unless action is taken we will find ourselves headed down the road of financial self-destruction after standing indestructible against all outside forces" for over 187 years.

At the time I addressed the House on this subject in 1960, legislation which I had introduced was pending before the House Ways and Means Committee to require provision in the budget submitted to the Congress each year an item equal to at least 1 percent of the debt, to be applied toward debt reduction. No statutory provision for planned payment of the debt exists at this time.

Today I have reintroduced this much-needed legislation, and urge its favorable consideration by the Congress.

The national debt, at an alltime high after World War II, has increased another 17 percent during the postwar years. At the end of calendar year 1962 the Federal debt was $303.5 billion.

If we are to be successful in our struggle to lead the world to democracy and defend our own national institutions, we must insist that our country's fiscal policy is sound. An ever-growing national debt will demoralize our citizens and make our sister nations question the dollar.

Not only is the debt itself an ever-growing burden on future generations, but the interest payments on the debt have become a major cost item to the Government and the taxpayers. In 1959 when I first introduced my plan for debt reduction, interest was costing Americans $7.6 billion. The budget for 1964 calls for an estimated $10.1 billion interest expenditure.

This $2.5 billion increase in cost has come about in 4 short years because we have not been willing to act to meet our responsibilities.

The 1964 budget estimate of $10.1 billion for interest on the debt is the second highest item in the budget, second only to the cost of national defense.

The cost of interest exceeds the total cost of all of the following items combined: Housing and community development; education; natural resources; and international affairs.

The cost of interest exceeds the total cost of agriculture and space activities added together.

It should be clear to all, as George Washington pointed out so long ago, that we cannot long throw upon our future generations this burden. We are already paying the price of our past inactions. We must begin payment on the debt to reduce not only the debt itself but the high costs of interest now necessary to maintain the debt.

We cannot hope to bring about debt reduction without a plan, which would set a requirement for action each year. My bill would start us along the right path. It sets only a minimum requirement. In years when a larger reduction proved possible, a larger percentage could be applied toward debt reduction. But it has been our experience that we find it difficult to make any payment when not actually required to do so.

Mr. Speaker, I hope that the Congress will take the words of Washington to heart and fulfill their obligation in this regard.

## THREAT OF CASTRO-COMMUNIST SUBVERSION IN THE WESTERN HEMISPHERE

Mr. SELDEN. 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 Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, the House Subcommittee on Inter-American Affairs, of which I am chairman, has completed its first week of hearings into the threat of Castro-Communist subversion in the Western Hemisphere.

During this past week the subcommittee heard evidence and testimony from Assistant Secretary of State, Edwin M. Martin; Central Intelligence Agency Director, John McCone; U.S. Ambassador to Haiti, Raymond L. Thurston; U.S. Ambassador to Venezuela, C. Allan Stewart; former Prime Minister of Cuba, Dr. Manuel deVarona; U.S. Information

Agency Deputy Director, Donald M. Wilson; and USIA Assistant Director for Latin America, Hewson A. Ryan.

Witnesses to appear before the Inter-American Affairs Subcommittee next week include director of the Defense Department's Intelligence Agency, Lt. Gen. Joseph F. Carroll; the former ambassador to the United States from Guatemala, Dr. Jose Luis Cruz Salazar; and the U.S. Ambassador to the Organization of American States, the Honorable deLesseps S. Morrison.

## A PROPOSAL FOR A NEW DAIRY PROGRAM TO RAISE DAIRY FARMERS' INCOMES, LOWER PRICES OF DAIRY PRODUCTS, AND SAVE TAXPAYERS' DOLLARS

Mr. REUSS. 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 Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have introduced today H.R. 3978 which embodies a new dairy program to bring production into balance with demand, to raise dairy farmers' incomes, to encourage an expansion in the consumption of dairy products and to end the senseless accumulation of huge surpluses occurring under the present program. Farmers who enter the voluntary program, as it would be in their interest to do, would be required to limit their production so that the cost of acquiring and storing mountains of surplus dairy products would be virtually eliminated.

More important even than ending of the waste involved in piling up surpluses, is the fact that the saving would allow us to replace an uneconomic program that requires misuse of our resources by establishing false incentives to overproduction.

We can promote economic efficiency in the dairy industry and enhance the welfare of all citizens by substituting income support for price support and allowing the prices of dairy products to fall. My proposals will mean higher incomes for family-size dairy farmers, lower prices of milk products for consumers and a reduced burden on the taxpayers. That farmers, consumers, and taxpayers can benefit simultaneously from the program I propose, involves no hocus-pocus or sleight of hand. Rather, it is convincing evidence of the self-defeating, irrational nature of the existing program.

A city Congressman cannot afford to be oblivious to the defects in the present dairy program and the real need for a sound substitute. City people need dairy products at the lowest possible prices. They need a healthy economy, including prosperous dairy farmers who can buy the goods and services which city people sell. And taxpayers everywhere need to be rid of the senseless burden of huge surpluses.

I think it is fair to warn that a program such as we now have—which, far from meeting the needs I have just mentioned, is not even headed in the right direction—cannot continue indefinitely. Rather than have it overthrown with no alternative at hand, placing the entire burden of adjustment on the struggling dairy farmer, I think it behooves representatives of both town and country to work toward a plan that will meet our national goals rationally and without the enormous waste built into the present program.

### THE PROBLEM OF THE EUROPEAN COMMON MARKET

The nature of our farm programs in this country will, moreover, affect our ability to maintain and to expand our dollar-earning exports to the Common Market. Our exports of wheat, wheat flour, feed grains, meat, poultry, eggs and rice, which now amount to nearly $500 million per year, are threatened by a special tariff scheme. The Common Market has adopted a system of variable tariff levies on these products that will make the cost of imports into the Six at least as high as the price of products grown within the area. At the same time, prices of agricultural products grown within the market are to be maintained artificially at high levels. We have protested vigorously against this protectionist scheme, and we must continue to do so if we are to save a major segment of our agricultural market in Europe.

But our arguments and oratory will carry more weight if we do not ourselves have agricultural programs which are based on maintaining relatively high price supports. Thus, substituting income support for price support in our dairy program should help to strengthen our hand in keeping our $500-million export market in Europe. Our readiness to move away from rigid price supports should make it easier to urge the Common Market also to forsake farm policies which are costly to their consumers and injurious to their trading relationships.

### THE PRESENT DAIRY PROGRAM

Under the present program the total dairy income has not increased. On the contrary, it has declined by more than $100 million during the past year. In Wisconsin, the leading milk producing State of the Nation, the average net income per dairy farm of about $3,200 is no higher today than it was 10 years ago. When a proper return is calculated on the capital invested in land and equipment, the typical Wisconsin dairy farmer and his family earn no more than 35 to 65 cents per hour for their labor. Even this precarious livelihood will be threatened, if growing dissatisfaction with the price support program forces its abandonment, and there is no acceptable alternative way of protecting incomes.

Consumers, who might have been expected to increase their consumption of butter, cheese, and other milk products in line with the rise in average family incomes, have been discouraged from doing so by the high prices for many milk products, particularly butter. While the dietary habits of American families have no doubt been influenced by external factors like the cholesterol controversy and fears about radioactive fallout, there is no doubt that the relatively high price of butter has caused a significant shift to cheaper substitutes. Maintenance of high butter prices will mean further attrition in this basic market for dairy farmers.

Taxpayers, too, are justifiably concerned with the present costly price support program. While earlier estimates that dairy price supports would rise above $600 million this year fortunately appear to have been exaggerated, the burden of storing mounting surpluses, added to program cost, make it imperative that we seek a better solution. Even with the most liberal use of butter in aid programs, over 300 million pounds of butter stocks have accumulated in government warehouses. Relief clients are now using twice as much butter per person as other consumers. While relief clients are certainly entitled to butter, a good government program should surely seek to encourage a more normal pattern of butter use in the population.

### THE PROGRAM PROPOSED

The proposed dairy bill has been prepared with the assistance of experts from the University of Wisconsin, the Legislative Reference Service of the Library of Congress, the Department of Agriculture, and farm organizations. The bill sets forth a voluntary, 1-year program to serve while a permanent program is agreed upon. The proposed program is in accordance with the general guidelines for a voluntary dairy program, laid down by the President in his farm message on January 31, 1963. The principal objectives of the bill are to balance milk supplies with commercial market outlets, to maintain dairy incomes by direct payments to dairy farmers, to reduce milk product prices, especially for butter, to consumers, and to reduce dairy product support costs for the Federal Government.

The bill provides the following:

First. A 1-year, voluntary program under which dairy farmers would agree to reduce total milk marketings to 90 percent of individual marketing in the marketing year ending March 1963. No penalties will be imposed on those who do not choose to participate in the program.

Second. Direct income support payments are to be paid to cooperators each quarter to make up the difference between the average market price for manufacturing milk and 90 percent of parity, with a sliding scale of payment to maintain incomes for farmers who sell part of their output as fluid milk.

However, farmers who enter the program by agreeing to reduce their total milk sales by 10 percent will not be required to reduce their sales of fluid milk. Their shares of fluid milk sales in Federal order markets will be secure. The price base for calculating minimum fluid milk prices in market order areas will be unchanged.

At the same time, the divergence of interest between farmers with large sales of fluid milk and those who sell the bulk of their production as manufacturing milk will be minimized by the

sliding scale. Since cooperating farmers will not be required to cut their profitable fluid milk sales, they will have to drop a proportion of their sales of manufacturing milk equal to 10 percent of their total sales.

In cases where manufacturing milk sales made up a relatively small part of the total, the farmer's income could conceivably decline if it were not for the sliding scale. However, this scale, by fixing additional payments so that a farmer's gross income from the sale of manufacturing milk will increase by about 7 percent regardless of the distribution of his sales between fluid and manufacturing milk, will make it profitable for farmers with large fluid milk sales to cooperate in the program.

A farmer selling only 30 percent of his production as manufacturing milk, for example, would receive about $200 more in gross income by cooperating than by marketing as much manufacturing milk as in the base period. Outside the program, he would have to increase production, with simultaneous increases in costs, in order to equal his former gross income from sales of manufacturing milk.

Adjustments for seasonal or other needed variations in marketing are to be permitted, except that to qualify for all payments, cooperators must adjust total output to the reduced level within 5 quarters after the effective date of the program.

Third. In order to limit maximum benefits under the program to family-sized farms—those with about 40 cows—income support payments are limited to the first 400,000 pounds of marketings of manufacturing milk.

Fourth. The minimum mandatory support level for milk is to be set at 65 percent of parity, with no mandatory support level for butterfat.

THE ADVANTAGES OF THE PROPOSED PROGRAM

The proposed program will have the following advantages:

First. For the farmer: The great majority of cooperating farmers would receive somewhat higher incomes on 90 percent of present output than they now earn under the 75 percent of parity price support program. For example, a farmer who markets 200,000 pounds as manufacturing milk would earn $3.14 per hundredweight, or $6,280 in gross income in the coming year under the present program. Under the proposed program, he could limit marketings to 180,000 pounds but would receive in combined market receipts and income support payments, $3.74 per 100 pounds—90 percent of parity—for a gross income of $6,732. In addition, he would save feed and other costs of about $1.25 per 100 pounds on the 20,000 pounds by which he will reduce output. This would give him about $700 more income than under the present plan if production costs remain at current levels.

Second. For the consumer: It is estimated that consumers will save about 12 cents per pound for butter so that in the period immediately ahead, on expected butter sales of 1,350 million pounds, consumer savings will total $162 million. Additional savings should also be possible for consumers in their purchases of cheese and other milk products.

Third. For the Federal Government: Instead of having to purchase, store, and dispose of an estimated surplus of 9.8 billion pounds of milk products in the coming year, the Government, at a lesser cost than under the present price support program, will be able to stop adding to surplus stocks. The income improvement features of this proposal, combined with the reduction of the price support for milk to 65 percent of parity, should make it attractive for most producers to participate in the program. The resulting reduction of output to 90 percent of present marketings will leave no surplus for the Government to buy, except for a quantity of dried milk powder which cannot be absorbed in any conceivable market situation.

COMPARATIVE COSTS

The comparative costs of the present and proposed dairy programs to the Federal Government are:

| | *Millions* |
|---|---|
| Present program: | |
| Purchases by CCC of 98 million hundredweight of surplus products at $3.14 per hundredweight (75 percent of parity) | $308 |
| Processing, storage, and handling of products | 250 |
| Total cost | 558 |
| Proposed program: | |
| Direct income support payments on 460 million hundredweight at $1.04 per hundredweight (difference between market price of $2.70 and $3.74=90 percent of parity) | 478 |
| Less income support costs saved by 400,000-pound limitation | 48 |
| Net income support payments | 430 |
| Cost of CCC purchases of dried skim milk | 90 |
| Total cost | 520 |
| Estimated savings to Government | 38 |

The proposed program would be relatively simple to administer, and it should effectively balance production with market outlets at minimum cost to the Government. By permitting market demand to determine prices for dairy products, the proposed program will not only benefit consumers it will help us to compete against imports and to expand exports. Moreover, since we will not have to defend artificially maintained prices, we can go in with clean hands when we protest high agricultural support prices in the Common Market.

To sum up, the proposed program will stop forcing dairy farmers to produce more milk than the market can now take. It will prevent the steady decline in the income of dairy farmers. It will give consumers a break in lower prices for milk products. It will get the Federal Government off the treadmill of rising dairy program costs and the constant need to find still more expensive warehouse space to store surpluses.

Instead, the proposed program could virtually stop the accumulation of surpluses, and the $250 million now required for processing, storing, and handling dairy surplus products could be distributed as somewhat higher incomes for cooperating farmers, lower prices for consumers, and lower costs for the taxpayer.

I would emphasize also that for most farmers, my program will mean an increase in the parity level.

The text of H.R. 3978 follows:

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Dairy Act of 1963".

*Statement of findings and purpose*

SEC. 2. The Congress hereby finds that the current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the foreseeable future. It is, therefore, the purpose of this Act to afford producers the opportunity and means by which they can, on a compensated basis, voluntarily reduce their marketings of milk for a one-year period.

*Definitions*

SEC. 3. For the purposes of this Act—

(1) The term "Secretary" means the Secretary of Agriculture.

(2) The term "milk producer" means any person engaged in the production of milk for market.

(3) The term "market" means to dispose of by voluntary or involuntary sale, barter, or exchange, or by gift intervivos, in interstate or foreign commerce or in a manner which affects interstate or foreign commerce.

(4) The term "manufacturing milk" means butter, nonfat dry milk solids, cheese, and other manufactured dairy products.

(5) The term "parity price" of manufacturing milk means that defined in section 301(a) of the Agricultural Adjustment Act of 1938, as amended: *Provided*, That, in the computation of prices received by farmers, there shall be included the income support payments provided by this Act.

(6) The term "Agricultural Stabilization Committee" means a county committee elected under section 8(b) of the Soil Conservation and Domestic Allotment Act.

(7) The term "person" means an individual, partnership, corporation, association, trust, estate, or any other business entity.

*Special dairy program*

SEC. 4. The Secretary shall, through the Commodity Credit Corporation, carry out for a one-year period in accordance with this Act, a program for making income support payments to dairy producers who limit their marketing as specified in section 6.

*Producers' basis*

SEC. 5. (a) The Secretary shall establish a normal marketing level for each milk producer in the continental United States, excluding Alaska, who notifies the Secretary that he desires to participate in the program provided for in this Act. Such normal marketing level shall be the lower of (1) the number of pounds of milk marketed by the producer during the marketing year ending March 31, 1963, or (2) the Secretary's estimate of the number of pounds of milk which will be marketed by him during the one-year period this program is carried out based on the rate of his marketings at the beginning of the first calendar quarter this program is in effect, adjusted for seasonal variations. In computing the number of pounds of milk marketed by a producer, his marketings of farm-separated cream, butterfat, and other dairy products shall be included, but with appropriate adjustments based on conversion factors prescribed by the Secretary.

(b) In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1962–1963 marketings as he deems necessary for flood, drought,

disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after March 31, 1962. A producer's normal marketing level shall be apportioned by the Secretary among the quarterly marketing periods in accordance with the producer's prior marketing pattern, subject to such adjustments as the Secretary determines to be necessary to enable the producer to carry out his herd management plans for the one-year period. The number of pounds thus apportioned to a calendar quarter shall be the producer's normal marketing level for such calendar quarter.

*Income support payments*

SEC. 6. (a) The Secretary shall make income support payments to producers who limit their marketings of milk in the one-year period this program is in effect to not more than 90 per centum of their normal marketing levels. The income support payment to a producer shall be an amount equal to the difference between (1) the average national domestic market price per one hundred pounds in each three-month period, and (2) not less than 90 per centum of the parity equivalent price per one hundred pounds of manufacturing milk, as may be prescribed by the Secretary, multiplied by the number of pounds of milk marketed by him for use as manufacturing milk during such three-month period, or the producer's seasonally adjusted share of a 400,000 pound annual base, whichever is the lesser.

(b) Where a part of a milk producer's milk is marketed for fluid use, the income support payment on the milk marketed for use as manufacturing milk shall be increased by an amount sufficient to assure that the income support payment to such producer compensates him for the greater percentage reduction in milk marketed for manufacturing use resulting from the 10-percent reduction in marketings of all milk during the one-year period this program is in effect.

(c) If a producer delivers his milk to a plant, handler, or pool, the percentage of his milk which is marketed for use as manufacturing milk shall be determined on the basis of the percentage of the total quantity of the milk received by such plant, handler, or pool which is used as manufacturing milk.

*Applications; payments*

SEC. 7. (a) Income support payments shall be made on the basis of applications submitted by milk producers to their Agricultural Stabilization Committee. The Secretary may by regulations require handlers, processors, and other persons to make available such of their records and other information as he may find necessary to enable him to make the income support payments required by this Act.

(b) The Secretary may make income support payments at the end of each calendar quarter as the program progresses to producers whose marketings for such quarter have not exceeded 90 per centum of their normal marketing level for such calendar quarter by more than 5 per centum, except that no such payment shall be made with respect to the fourth calendar quarter this program is in effect unless the aggregate of the producer's marketings during that and the three preceding calendar quarters is not more than 90 per centum of his normal marketing level, except that where his marketings for such four calendar quarters did exceed 90 per centum of his normal marketing level, the income support payment for such fourth quarter shall be made if the producer reduces his marketings for the next calendar quarter below the normal marketing level for the first calendar quarter this program was in effect by an amount sufficient to make up for such excess.

*Adjustments for grade, and so forth*

SEC. 8. Appropriate adjustments may be made in the support payment for milk or for cream for differences in grade, quality, location; for compliance by the applicant with official conservation and civil defense programs; and for other factors.

*Support payments through CCC*

SEC. 9. The Secretary shall make the income support payments provided for herein through the Commodity Credit Corporation and other means available to him.

*Amendment of milk marketing orders*

SEC. 10. Whenever marketing levels are established and the income support payments program is in effect under this Act, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)—

(a) Any order issued under section 8c thereof may, in addition to the provisions in 8c (5) and (7), contain provisions providing that in the distribution to producers of the amounts of money required to be paid by handlers at the minimum class prices for milk delivered to them, an adjustment shall be made in computing payments to producers who reduce their current marketings under an order as compared with their normal marketing level (adjusted to a monthly basis) under the order by at least 10 per centum. The objective of such adjustment shall be to permit a producer to reduce his production of surplus milk without reducing his share of the class I market. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Agricultural Marketing Agreement Act of 1937, as amended, as other provisions under section 8c thereof; and

(b) In the case of each order issued under section 8c thereof which bases the computation of the minimum class prices of milk in the higher use classification upon the price or value of milk for manufacturing, the price or value used for such computation shall, during the period this Act is in effect, be the price or value of milk for manufacturing for the accounting period immediately preceding the enactment of this Act. This requirement shall be effective with respect to each such order with the same force and effect as though the order had been amended to so provide.

*Price support level*

SEC. 11. The Secretary shall support the price of milk at 65 per centum of parity. Section 201(c) of the Agricultural Act of 1949 shall not be in effect while this section is in effect.

*Finality of determinations*

SEC. 12. Determinations made by the Secretary under this Act shall be final and conclusive, so long as the scope and nature of such determinations are not inconsistent with the provisions of the Commodity Credit Corporation Charter Act. The facts constituting the basis for any income support payments, or the amount thereof, authorized to be made under this Act, when officially determined in conformity with rules and regulations prescribed by the Secretary, shall be reviewable only by the Secretary.

*Effectiveness of program*

SEC. 13. This Act shall take effect at the beginning of the first calendar quarter which begins after the Secretary determines, acting as expeditiously as practicable, it to be administratively feasible.

---

## NATIONAL ACTORS' EQUITY WEEK

Mr. RYAN of New York. 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 York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, I have introduced House Joint Resolution 254, a joint resolution to designate the week of May 20 to 26, 1963, as National Actors' Equity Week.

In the 50 years of its existence the Actors' Equity Association has attained a position unique in the history of organized labor and the theater and consistently has demonstrated its deep interest in the welfare of the theater as a whole.

Actors' Equity Association was founded in May of 1913 in New York City by 112 actors. Today its membership claims approximately 13,000 professional actors. It was organized primarily because the plight of the actor had become increasingly onerous and difficult. Prior to the existence of Equity there was no standard contract, no minimum wage, no overtime pay, no predictable number of rehearsals, no guarantee of playing time, no holidays, and no limit on the number of performances an actor was required to play. Often theatrical companies were stranded without salary or transportation away from home.

The actors had organized an association, the Actors' Society of America, about 1896, but that association never became sufficiently strong to protect the rights of the actor. In the winter of 1912, a meeting was called to decide whether or not it was worth continuing, or whether a new association, dedicated solely to the economic problems of the actor, would better serve the purpose. It was decided to concentrate on a new association, and at that time a plan and scope committee was appointed. Through the winter and spring of 1912 and 1913 the committee met, and by May of 1913 it had drafted the constitution and bylaws and decided upon the name of the Actors' Equity Association. The first president of the association was Francis Wilson.

Through the years Equity has had an obvious interest in supporting the expansion or renascence of the professional theater. It has frequently taken the lead and has never failed to participate in efforts to spread the cultural and educational influences of the theater. Equity knows, and its members well know, the risks inherent in theatrical ventures of every kind, professional and nonprofessional, commercial and altruistic.

The economy of the theater is not isolated. The theater lives only through its contact with the world. A drama on paper may be literature, but it is not a play; it is not the theater. The theater emerges when dramatic literature is enacted by players on a stage before an audience. It is this transfiguration from literature to production that involves complex, organized machinery.

The theater answers a basic need in all people, no matter what their state of cultural or economic development. The art of acting, and the profession of actor, is as old as man. The art first appeared in ritual dance and song and later in dialogue. The position of the actor was

for a long time precarious. It is known that Shakespeare and his contemporaries were liable to be classed as rogues and vagabonds. It was not until the 19th century that the actor achieved a definite place in society.

The true actor, through the years, has needed to be a little of everything—singer, dancer, mimic, acrobat, tragedian, comedian—and to have at his command excellent health, a retentive memory, an alert brain, a clear, resonant voice, and a highly adaptable personality.

I believe that Congress should encourage and promote the arts. The theater is an integral part of American culture. Those who are engaged in bringing to us the activity of the theater are essential to our democracy. We should pay tribute to them and their organization, for our Nation's vitality depends as much on its cultural as its material resources. I hope that this joint resolution will be acted upon favorably in both Houses to honor the Actors' Equity Association on its 50th birthday.

## PROVIDING REIMBURSEMENT TO THE CITY OF NEW YORK FOR CERTAIN EXPENSES

Mr. RYAN of New York. 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 York?

There was no objection.

Mr. RYAN of New York. Mr. Speaker, today I have again introduced a bill to provide reimbursement to the city of New York for the extraordinary expenses incurred in providing police protection for the United Nations during the 15th session of the General Assembly in September and October 1960.

On April 5, 1962, the House passed a bill to authorize an ex gratia payment to New York City in the amount of $3,063,500. Unfortunately, Congress adjourned before the other body had acted upon it.

Mr. Speaker, as a Representative from New York City, I am proud that the United Nations is located in our city. However, its benefits inure to the entire Nation, and I think it is just and proper for the Nation to share the expense of police protection.

The 15th session of the General Assembly from September 19, 1960, to October 14, 1960, was unforgettable. Khrushchev and Castro were in town as well as the heads of the satellite countries. The entire New York City Police Department of 21,000 worked overtime for the duration of the emergency. It is estimated that 1 million extra hours were worked.

My bill would reimburse the city in the amount of $4,404,000 which would include payment at the rate of time and one-half for overtime. Certainly the overtime provisions of our national labor policy should be applied.

I urge my colleagues to support this fair and equitable bill.

## A PLEA FOR RESPONSIBILITY

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, it is high time voices were raised against the loud and growing band in both Houses of Congress whose only Cuban policy is frenzy. Unfortunately, these men come from the ranks of both political parties.

Our President with the resounding support of the Nation has clearly and firmly stated our policy that we will not tolerate Cuba being used as a base for aggressive weaponry against the United States. There are few indeed, including the enemy, who doubt his determination as past events have proved.

But the critics are not stilled. They are greatly concerned, and rightly so, about Communist subversion which spreads from Cuba to Latin and South America. However, while they rant and rave, many of them fail to support actively and they even oppose those programs best designed to combat Communist subversion and propaganda in the nations south of the border.

Why do not these Cassandras raise their voices in support of strengthening the U.S. Information Agency whose job it is to counter the Communists' propaganda thrusts? More importantly, who do they decry and ridicule our appropriations for the Alliance for Progress? This is the vehicle which although admittedly far from perfect, is the opening wedge against the widespread poverty in Latin and South American upon which the Communist feed.

Do these professional congressional breastbeaters dwell in such a dream world that they expect an overnight solution to a nasty problem which has been festering for years? The enemy is poverty and its resulting despair which has poisoned the masses in Latin and South America. The Alliance for Progress is simply a program whereby we invest some money in the uphill struggle to improve the economic condition of our American neighbors.

Although the critics of the Alliance lambast it as an egregious blunder and a monstrous failure, the fact remains that when the Cuban crisis was at a boil in the autumn of 1962, the 19 member nations which comprise the Organization of American States unanimously supported our determination to remove offensive weapons from Cuba.

It is not unlikely that this unanimity played a large portion in the decision of the Soviet Union to remove their threat to our security. We may shudder to contemplate the state our world would be in today if we had no Alliance for Progress. Had we turned our backs on the plight of these nations, we may well have been alone and friendless in our home of grave menace to us.

It is easy to view with alarm and to become hysterical, but it takes more stamina to have the patience and integrity to evolve positive programs to eradicate the conditions upon which Communist subversion thrives.

Let us put an end to windy demagoguery and assume the responsibility that the times demand.

## IMMIGRATION AND NATIONALITY ACT OF 1963

Mr. TOLL. 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 Pennsylvania?

There was no objection.

Mr. TOLL. Mr. Speaker, on March 1, 1962, 43 major Philadelphia religious, labor, nationality, and civic organizations sponsored an outstanding conference on refugees and U.S. immigration policy. This all-day meeting had the participation of the distinguished Senator from Michigan, the Honorable PHILIP A. HART, chairman of the Senate Subcommittee on Refugees, and Antonio Miccoci, Special Deputy, Cuban Affairs, U.S. Department of Health, Education, and Welfare. Gregory Lagakos, Esq., prominent Philadelphia attorney and president of the International Institute of Philadelphia, was chairman of this conference, and Jules Cohen, executive director of the Jewish Community Relations Council of Greater Philadelphia, was chairman of the committee that brought about this significant meeting.

Because it indicates the wide interest in immigration reform on the part of citizens' groups, I will name the cooperating agencies. They were:

AFL-CIO, Philadelphia Council; American Committee for Italian Migration, Philadelphia chapter; American Friends Service Committee; American Hungarian Federation, Philadelphia chapter; American Jewish Committee, Philadelphia Chapter; American Jewish Congress, Delaware Valley Council; American Red Cross, southeastern Pennsylvania chapter; Anti-Defamation League of B'nai B'rith; Association of Immigration and Nationality Lawyers; Association of Philadelphia Settlements and Neighborhood Centers; Board of Rabbis of Greater Philadelphia; Catholic Resettlement Council; Center for International Visitors; Commission on Human Relations; Division of School Extension, school district of Philadelphia; Episcopal Diocese of Pennsylvania; Family Counseling Service, Episcopal Community Services; Family Service of Philadelphia; Federation of American Hellenic Societies; Fellowship Commission; Friends Neighborhood Guild; Greater Philadelphia Council of Churches, Community Service Department; HIAS & Council Migration Service of Philadelphia; International House of Philadelphia; International Institute of Philadelphia; Jewish Community Relations Council of Greater Philadelphia; Jewish Employment and Vocational Service; Jewish Family Service; Jewish Labor Committee; Legal Aid Society; Lithuanian American Community of the United States, Philadelphia branch; Lutheran Board of Inner Missions; National Association for the Advancement

of Colored People; National Association of Social Workers, Philadelphia chapter; Philadelphia Citizens Committee on Immigration and Citizenship; Philadelphia County Board of Assistance, Department of Public Welfare; Philadelphia Housing Authority, Social Service Division; Polish American Congress; Travelers Aid Society of Philadelphia; United Ukranian American Relief Committee; World Affairs Council; YMCA, central branch; YWCA of Philadelphia.

This Conference was convened purely for educational purposes. Accordingly, no votes were called for and no particular legislative proposals were endorsed. However, it became quite clear at the Conference that the representatives of the cooperating agencies endorsed the principles contained in S. 3043, the bill that was introduced in the 87th Congress by Senator HART and 25 other Democratic and Republican Senators from 17 States.

Because of my deep conviction that such remedial legislation to improve American immigration policy is long overdue, I consider it a privilege to sponsor this bill, incorporating the same principles, which is also being supported by my distinguished colleagues from Philadelphia, Congressman WILLIAM J. GREEN, JR., Congressman WILLIAM A. BARRETT, Congressman JAMES A. BYRNE, and Congressman ROBERT N. C. NIX. Both the domestic welfare and the foreign policy of our Government demand that American immigration policy and laws shall be in keeping with our democratic professions, the tradition of our great country as a haven for the oppressed and the persecuted; and our leadership position among the free nations as we relate to the uncommitted countries in Asia, Africa, and other parts of the world.

## THE AMERICAN COAL INDUSTRY

Mr. BRAY. 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 Indiana?

There was no objection.

Mr. BRAY. Mr. Speaker, our Government is taking steps today that will greatly injure the coal industry and many other segments of the American economy.

Last month President Kennedy increased the residual fuel oil import quota for the current year by 6½ million barrels. This oil is to be imported within the next 60 days. This increases to 191.8 million barrels the total amount of oil that can be imported during the quota year. Mr. Speaker, this is the equivalent of 46 million tons of coal.

This action means further distress for the American coal miner. If this residual fuel oil were not brought into this country, 18,500 additional full time employees would have jobs in the coal industry. Additional employees would be required on the railroads. These men, most of whom are located in economically depressed areas, would be paying taxes and buying goods, helping the American economy. But instead of working, many of these men are on relief. Instead of being spent in America, dollars are going abroad for this oil, which contribute heavily to the presently critical outflow of gold from this country.

It is also a fact that there are 12 million more barrels of this oil on the east coast than there were in 1961. Despite this, President Kennedy has increased the quota. In addition, the President's Office of Emergency Planning last week recommended "a careful and meaningful relaxation of controls on imports of residual fuel oil to be used as fuel." These actions were taken against the coal industry despite all of the promises made during the 1960 campaign about intentions to aid the coal industry. The Government should take steps to assist this industry by providing it with adequate protection or announce frankly that they are taking steps to injure the coal industry and the American coal miner.

## STATE DEPARTMENT SELECTION?

Mr. BATTIN. 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 Montana?

There was no objection.

Mr. BATTIN. Mr. Speaker, thanks to the diligence of my colleague, Mr. E. Y. BERRY of South Dakota, we have an insight into the thinking of the policymakers at the State Department. In the RECORD for February 14, 1963, at page 2234, Congressman BERRY inserted an official publication of the U.S. Department of State concerning the House Members that were elected to fill the vacancies on the Foreign Affairs Committee. The heading on the release or story is as follows: "House GOP Names Five Conservatives To Fill Foreign Affairs Posts—Move Seen Increasing Opposition to Kennedy Foreign Aid Plans —Lone Internationalist Named." The official publication leaves the impression that the action of the Republican Party in the House through its committee on committees and the Republican conference is not in the best interests of the State Department.

At one point in the story the following language is found:

> The administration's dealings with the Republican committee members may be especially difficult this year because of the November defeat of Representative Judd of Minnesota, the leading House Republican spokesman on foreign affairs and a moderate who often sided with the administration.

It is noteworthy, I believe, to point out at this time that while Representative Judd stayed on the job in Washington in the fall of 1962 fighting the cause for the President's foreign aid program, the President was in Minnesota campaigning in opposition to Representative Judd's reelection. The hearts and flowers thrown to Congressman Judd at this late date is a shoddy way of covering up the actions of the administration in the last campaign.

The report listed by name the eight new members of the committee, including two of our Democratic colleagues. The distinguished public careers of our colleagues need more adequate description than the slanted approach delivered in the State Department's official publication.

Try as I have to locate the statutory authority which directs the taking of a civil servant's time to research the background of Members of Congress to determine how they will react to a given bill, I have been unable to find any such provision in law. I would suggest, however, that if they would take the same time and use the same effort in analyzing the background and public statements made by some of the leaders of foreign nations and the representatives of these countries, they would have a better idea of the problems in the world and how they affect the United States. We might even find we could take the lead in many areas and not have to be continually on the defensive.

The members of the Foreign Affairs Committee, like all Members of Congress, have all been elected by the voters in their districts and try as I have, I have been unable to find anyone in the State Department who presently has had the vote of confidence of any voter in the United States. The State Department publication, therefore, goes far beyond proper bounds.

I am sure that if some employees in the State Department had their way and could make the selections of members to serve on the committee, they would choose those who would never disagree with their proposals, but fortunately for the country this is not our system.

I noted with interest in the report that the State Department was concerned that "the five conservatives also are expected to oppose aid for Communist nations." So that the record may be straight and so that the researcher in the Department of State and the author of the official publication can sleep tonight, I want him to know that I do not believe that the taxpayers' money should go to the aid of communism or the support of communism any place in the world. I do not labor under the illusion that Marshal Tito will fight on the side of the West if Russia decides he should fight on the side of the Communist bloc countries, nor do I have delusions about what Mr. Khrushchev intends to do and I will never accept the fact that Castro is just a naughty boy or an eccentric who does not believe in the advertising of the Gillette Safety Razor Co.

The State Department could aid our battle in the world and the morale of the American people if they would adopt a philosophy compatible to the thinking of the American people. Should they disagree with the people or the Congress, all they need do is submit a simple resignation.

In January we heard a lot said about the packing of the Foreign Affairs Committee. People worried about losing the bipartisan approach to foreign policy. The newspaper accounts always attributed the statements to a "reliable source." From the recent official publication, I

think the reliable source has now been identified. I suspect that the State Department would like to rewrite the definition of the word "bipartisan," which Webster defines as "representing, or composed of members of, two parties."

I for one am very happy to be able to serve my country as an elected Representative in Congress and a member of the House Foreign Affairs Committee. The members of that committee are all hard-working people, devoted to the cause of the United States. I have had the opportunity of working with some of them in the 87th Congress and find them to be very intelligent, able, and dedicated people. I do not expect them to capitulate from their beliefs and principles and I am sure that they could have little respect for me if I capitulated. It is controversy that makes good legislation. It is the inquisitive mind and dedicated people who have made our country what it is today. As a parting thought, I do not believe that a person employed by the Department of State, because of his employment, automatically becomes an expert even though they sometimes leave this impression.

## A NATIONAL LOTTERY

Mr. FINO. 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 York?

There was no objection.

Mr. FINO. Mr. Speaker, for the past 10 years, I have urged Congress to wipe out hypocrisy and accept the indisputable fact that the urge to gamble is deeply ingrained in most human beings.

For 10 long years, I have repeatedly suggested that Congress recognize the fact that the desire to gamble is a universal human trait which should be regulated and controlled for the people's benefit and our Treasury's welfare.

Yet, Mr. Speaker, in spite of our great reluctance to recognize and accept the obvious, gambling in the United States has grown into a $50 billion a year industry which continues to be the chief source of revenue for organized crime.

Mr. Speaker, I have asked Congress to tap this tremendous source of revenue only because it can produce over $10 billion a year in new income which could help us cut our taxes and reduce our national debt. I have proposed a national lottery because it is the only way we can easily, painlessly, and voluntarily raise a tremendous amount of money needed to give our sagging economy a fiscal "shot in the arm." This proposal is not a gambling bill but rather a revenue-raising measure—it will divert gambling revenue from the underworld into the coffers of our own Treasury. And what is wrong with that?

Mr. Speaker, I realize that some Members of Congress question the morality of gambling. To those who consider a national lottery conducive to sin, may I refer them to Thomas Jefferson, who once said:

> If we consider games of chance immoral, then every pursuit of human endeavor is immoral; for there is not a single one that is not subject to chance, not one wherein you do not risk a loss for the chance of some gain.

More recently, the New York Times, in its November 23 issue, had this to say, editorially:

> Consistency would require that, from a moral or ethical point of view, either all gambling should be outlawed or a carefully regulated extension should be allowed.

Mr. Speaker, last Tuesday, February 12, brought us further evidence of hypocrisy. The New York State Legislature approved a bill to extend the racing season for an additional 26 days. Was this extension of the racing season granted because New York is interested in the "improvement of breeding horses?" Of course not. New York extended its racing season to improve its finances. The Governor asked for a longer racing season in order to increase State tax revenues by $9 million a year and help balance his budget.

What occurred last week in New York is certain to happen in all of the other 23 States that have parimutuel betting. Why? Because collecting revenue from gambling at the racetracks is the most painless and voluntary method of raising taxes.

Mr. Speaker, I believe the time has come for us to stop pussyfooting and show some good horsesense by tying the gambling spirit of the American people together with our Government's desperate need for revenue.

A national lottery would be the most profitable, sensible, and satisfactory solution to our Government's need for more revenue and the people's cry for tax relief.

## SPECIAL FUND OF UNITED NATIONS TO HELP CASTRO—A PARADOX

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

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

There was no objection.

Mr. McINTIRE. Mr. Speaker, there were few of us in the Congress who were not shocked by the recent announcement that the special fund of the United Nations was going to provide Fidel Castro with a $1.2 million agricultural aid project.

We have received assurance from several quarters that none of the funds used for this project would be represented by American money. However, this assurance loses substance in the face of the fact that the United States provides 40 percent of the total support of this fund.

To the extent that 1 American dollar serves as a catalytic agent in this disturbing exercise, in that degree is the American taxpayer being forced to subsidize an element alien to his best interests.

Gentlemen, I say to you that this is, indeed, a day of paradoxes. While on one hand wisdom calls out clearly for American containment of a Communist evil breeding 90 miles off the coast of Florida, other forces move forward to use the substance of America to nourish this evil and make it flourish.

If this is a sad and hard-to-understand story, sadder still is the fact that this development was conceived only through the flagrant flaunting of the will of the Congress.

I want to say here and now that elements of the Congress—both the Senate and the House of Representatives—established a legislative record which clearly condemns any program that harbors the potential of assistance to the followers of communism.

For the convenience of my colleagues, I have documented evidence in this respect, and I will, with proper permission, include it in the RECORD along with my remarks.

I want, thereby, to make it abundantly clear that this undesirable thing is upon us not because of the Congress, but in spite of it.

And I want to mention that I do not stand alone in my concern, for many of my colleagues have spoken out against this action of the United Nations.

And speak out we must, for if we let this matter go unattended, our silence might very easily be incorrectly interpreted as consent.

There is, of course, a principle involved in all of this, but even more than that there is the fundamental aspect of national security.

America has never turned her back on the deserving and the needy, but she has always drawn back from those who place the mantle of dignity on evil.

Gentlemen, I denounce this form of assistance to Communist Castro as being injurious to the best interests of our citizens and our country.

If this thing comes to pass—as against the spelled-out opposition of the Congress—then we, as Americans, will be placed in that peculiar and precarious position where we are feeding the very same parasite that seeks to feed on us.

Beyond the question of a doubt, the severity of this circumstance demands an immediate and penetrating investigation by a committee of this Congress.

In conclusion, Mr. Speaker, I include along with my remarks the article appearing February 25, 1963, in U.S. News & World Report and an article appearing in the Washington Star on September 5, 1962.

[From the U.S. News & World Report, Feb. 25, 1963]

ANTIAMERICANISM UNITED STATES PAYS FOR

Now it appears that U.S. dollars, contributed to the U.N.—

Have been used to publish pro-Soviet propaganda;

Have been spent to improve Congo's image in United States.

Reaction: an angry outburst in the U.S. Congress.

American taxpayers suddenly find that they are scheduled to begin helping Fidel Castro's Cuba, through the U.N.

Taxpayers are discovering, too, that they already have helped finance a booklet, prepared by the United Nations, that attacks capitalist countries and strongly praises the Soviet Union.

These developments created an angry reaction in Congress and brought at least one demand that the United States consider withdrawing from the United Nations.

What happened was this:

1. The U.N. Food and Agriculture Organization (FAO) announced it would spend $1,150,000 in various currencies to help Fidel Castro solve Cuba's agricultural problems.

The program is to be financed by the U.N. Special Fund, for which the United States puts up 40 percent of the cash.

President Kennedy told his February 14 news conference that no U.S. money will go into the Cuba project, but Members of Congress promptly disagreed.

Said Representative OTTO E. PASSMAN, Democrat, of Alabama: "It does come out of our money. We provide 40 percent of the funds * * * and the money loses its identity when it goes in."

Representative JOHN S. MONAGAN, a Connecticut Democrat, said: "This country will be making an indirect contribution to this project."

Representative T. A. THOMPSON, Democrat, of Louisiana, said the United States had been "gratuitously insulted," and Senator MILWARD SIMPSON, Republican, of Wyoming, declared: "It is time for the United States to seriously reconsider its membership in the world body."

The FAO project is regarded as a test of U.S. reaction to such projects. The worry in Congress was that U.S. acceptance of the FAO's Cuba deal would lead to other and larger investments.

Managing director of the U.N. Special Fund, which is to hire FAO to aid Red Cuba, is an American former industrialist, Paul G. Hoffman. The go-ahead for the Cuban project was announced by Mr. Hoffman, who said that it has his permission.

2. A report praising Communist Russia in connection with colonialism was issued by the United Nations Educational, Scientific, and Cultural Organization—UNESCO.

American taxpayers put up 31.5 percent of the money to support that organization. Russia, which ducks many of the heavy assessments levied by the U.N., contributes about 15 percent of the funds of UNESCO.

The report on colonialism was prepared by two Russian citizens. It lauds Russia as the great friend and benefactor of onetime colonial areas. The booklet is printed in English and French, distributed free to many organizations, and sells for $1.50 at U.N. bookstores.

The pamphlet, entitled "Equality of Rights Between Races and Nationalities in the U.S.S.R.," is by I. P. Tsamerian and S. L. Ronin, and has been published by UNESCO in the Netherlands.

The UNESCO document, among other things, says this:

"The unequal treatment of nationalities, colonialist oppression and discrimination on grounds of race or nationality, which still characterize a number of capitalist countries today, are to be explained by the political and social system prevailing in those countries."

The report adds that "the successful establishment of full equality of rights between races and nationalities in the U.S.S.R." was "one of the major social triumphs of our day."

Then the Russian writers tell how "in 1940 the Soviet regime was restored in Latvia, Lithuania, and Estonia, which voluntarily joined the Soviet Union."

The U.S. Department of State, which puts up the money for this U.N. body on behalf of American taxpayers, issued a statement on February 13, in which it said that it had officially opposed the move to aid Castro and had protested the UNESCO action in publishing Communist propaganda.

But State Department officials then expressed themselves as being unable to resist successfully the actions approved by other countries in these groups.

CONGRESSMEN ANNOYED

In Congress, there were prompt protests by important Members, both Democrats and Republicans. The point was made that there is no requirement that the United States put up money to finance projects of this type.

The result—a dual Communist victory, still not halted, financed through the United Nations—and involving American dollars.

3. Taxpayers in the United States, meanwhile, were able to learn of another use to which their money, donated to the United Nations, actually is being put.

Reports revealed by the Department of Justice show that American taxpayers helped to put up $200,000 or more—through the U.N.—which was spent in the United States to "improve the image" of the central Government of the Congo.

U.S. PEOPLE SHELL OUT

The Congo operation of the United Nations has cost Americans, over all, about $200 million, the lion's share of a major military move.

The $200,000 was for propaganda purposes, directed at the American people. It took on importance from the fact that the U.S. Department of State had moved to deport a man who spent half as much—or $100,000—to tell the opposition story, that of Katanga Province.

High officials, it developed, had objected to the viewpoints expressed in favor of Katanga when its dispute with the central government was active.

The "image" that is suffering in the United States, as a consequence of all this, is that of the United Nations—where some outlays of U.S. dollars, coming to light now, are bringing congressional tempers to a boil.

---

[From the Washington Star, Sept. 5, 1962]

FREEMAN PLEDGES $50 MILLION TO U.N. FOOD PLAN

UNITED NATIONS, N.Y.—Agriculture Secretary Freeman pledged $50 million today in American food and cash toward a $100 million United Nations world food program.

Mr. Freeman made the offer at a conference at which other nations also offered pledges of assistance to the program being developed by the United Nations Food and Agriculture Organization. The food would be used to help feed the world's hungry.

The Secretary told the conference that U.S. participation in this program would supplement and not replace American help to the hungry through this country's food-for-peace program.

The U.S. pledge included $40 million worth of food, $10 million in cash, and ocean transportation service on U.S. vessels.

Mr. Freeman said the types and amounts of U.S. foods to be donated to the world program will be determined later.

KENNEDY ADMINISTRATION NOT FOLLOWING CONGRESSIONAL INTENT ON FAO AID TO CUBA

Mr. Speaker, this week's issue of U.S. News & World Report contains a very timely and appropriate article entitled "Anti-Americanism United States Pays For."

One of the most glaring and flagrant examples of this anti-American aid, which is being paid for by the U.S. taxpayer is seen in the recent action taken in Cuba by the Food and Agricultural Organization—FAO—of the United Nations. As pointed out by U.S. News & World Report, FAO announced it would spend $1,150,000 in various currencies to help Fidel Castro solve Cuba's agricultural problems. This result, Mr. Speaker, is completely and entirely inconsistent with the legislative intent of Congress as manifested in last year's farm bill, the Food and Agricultural Act of 1962, and it never should have happened.

In November, 1961, Secretary of Agriculture Freeman, appearing at the FAO Conference in Rome, Italy, pledged the U.S. Government's support in both food and funds for a multinational program to aid underdeveloped nations.

At that time Mr. Freeman did not have an endorsement by nor a directive from Congress, which for many years has refused to commit the United States to a World Food Bank program.

In order to fulfill his promise at the Rome meeting, Secretary Freeman recommended to Congress—in H.R. 10010 and S. 2786—a new title V to Public Law 480. This title of the administration's 1962 farm bill would have given the Secretary specific authority to participate in the Rome agreement.

In his appearance before the House Committee on Agriculture on February 7, 1962, Mr. Freeman said at page 48 of the printed hearing, serial AA, part 1:

May I deviate from my prepared statement to say that I think an encouraging beginning can be seen in the pilot program that we considered with FAO in Rome last fall. * * *

If we are going to make use of agriculture and food abundance and bring some rationale to agriculture, I think the experience learned in trying to have a kind of international of multinational food for peace operation can be extremely useful through this medium, because we will be able to get other nations to share with us the burden that we have happily shouldered in seeking to help the developing nations.

The proposed language of H.R. 10010 is as follows:

SEC. 203. A new title V is added at the end of the Agricultural Trade Development and Assistance Act of 1954, as amended, as follows:

"TITLE V—MULTILATERAL FOOD PROGRAMS

"SEC. 501. The purpose of this title is to utilize surplus agricultural commodities produced in the United States in programs of economic development, emergency assistance, and special feeding carried out through the United Nations system or other intergovernmental organizations.

"SEC. 502. In furtherance of the foregoing purpose, the President is authorized to negotiate and carry out agreements with such intergovernmental organizations to provide for the transfer on a grant basis of surplus agricultural commodities from stocks of the Commodity Credit Corporation or from private stocks of the Commodity Credit Corporation or from private stocks procured by the Corporation for the purposes of this title, to such organizations for use in programs of economic development, emergency assistance, and special feeding.

"SEC. 503. In entering into such agreements the President shall secure commitments from such international organizations that reasonable precautions will be taken to assure that agricultural commodities utilized in the program shall not displace or interfere with sales of agricultural commodities produced in the United States.

"SEC. 504. For the purpose of carrying out agreements entered into by the President under this title, Commodity Credit Corporation

is authorized to make available surplus agricultural commodities either from its stocks or by procurement from private stocks, and to pay with respect to commodities made available hereunder, in addition to the cost of procurement of commodities from private stocks, the cost of processing, packaging, transportation, handling, and other charges up to the time of their delivery free alongside ship or free on board export carrier at point of export: *Provided*, That after June 30, 1963, the Commodity Credit Corporation shall not incur any costs in carrying out this title unless the Corporation has received funds to cover such costs from appropriations made to carry out the purposes of this title.

"SEC. 505. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title, and such amounts as may be necessary to reimburse the Commodity Credit Corporation for all costs incurred by it hereunder including Corporation's investment in commodities made available from its stocks."

Mr. Speaker, the Committee on Agriculture considered this proposal very carefully and debated its merits thoroughly. During the course of the hearings, I had the opportunity to question representatives of the Foreign Agricultural Service of USDA on the intent and purpose of this particular provision.

Many of us on the committee feared that if the United States surrendered the control of our funds and food to an international body that was responsive to neutral and Communist bloc sentiments, U.S. resources might be channeled into Communist hands.

I, therefore, questioned the departmental witnesses to develop clearly the legislative intent that the Rome commitment was contingent on congressional approval, as a first consideration, and that secondly, no Communist countries would benefit under any such arrangement.

At pages 382 and 383 of the printed hearings, serial AA, part 2, I developed these points as follows:

Mr. MCINTIRE. The other point is in title 5, and what you are proposing here, as you tell us in your statement, is that we have already engaged in a conversation, and we are now in the process of committing ourselves to this proposition, at least in memorandums, without the authority resting in law to fulfill that commitment unless this amendment is offered, is that right?

The USDA witness replied:

I would say this that what we have done is to develop a tentative program, which in the case of each country would be subject to authorization by the appropriate legislative body of that country, so that in this case it's been made clear that the United States offer to participate is subject to authorization by the Congress.

I continued my question, as follows:

Yes, but we are actually negotiating?

The Department witness replied:

Hoping that Congress will authorize.

I continued by asking:

Approve a memorandum agreement which is not now a commitment, because without statutory authority at the present time there can be no fulfillment of that memorandum agreement?

The Department witness answered:

I would have to put it this way: what we are doing is to explore, we are engaged in exploration and in the development of a draft program and making known explicitly that any arrangement that is developed is an ad hoc arrangement which could not become effective until congressional authorization.

I concluded this part of the questioning with this comment:

Now, then, we are in this situation to the extent that these agreements or understandings, ad hoc, or anything you want to call them, to the extent that they are participating in them, the burden rests on the Congress to either deny the authority under which these could be promulgated or fulfill the obligation by granting the authority.

The departmental witness then said:

I think that is right, sir.

Mr. Speaker, it should be abundantly clear what the understanding of the committee was in regard to the new title V.

The committee did understand the situation and the committee did reject completely the whole proposal. So did the Senate committee and, as a result, there was not one word of authority in Public Law 703 of the 87th Congress—the Food and Agriculture Act of 1962—or in any of the committee reports or debate to indicate in any way the approval of Congress for this international commitment.

As to the second point concerning the ultimate destination of commodities and funds into Communist hands, I asked these questions:

But, certainly we are all aware of the strong recommendations of many in international affairs for Red China to be in the U.N. If this came about, there would be nothing to prevent, as far as we are concerned as a separate member of the U.N., our funding up to whatever the statute permits for a program of feeding into Communist countries. And just from the standpoint of the real provisions in the law, I hope you could answer whether or not this is legally possible?

The USDA witness replied:

Well, there is no provision in this law that indicates to which destination commodities could go * * * but I think I can assure you without question today that there would be no intention of permitting any of the food under a program of this kind to go to Red China.

I then made this comment:

Well, let me just make a further observation. Do you think your intentions or mine would be controlling?

The USDA witness then said:

Well, I certainly think that if this program were in operation today, assuming the bill was passed and the authorization was made available, I am certain that in the international agreement that is finally written that the United States would reserve the right to restrict shipments to certain destinations of the world.

Mr. Speaker, this raises some very important questions. For instance, what about Cuba, should not shipments to Cuba be stopped? Why did not the Kennedy administration restrict shipments to Cuba when it went ahead and joined the FAO pact without congressional approval? These are vital questions which must be answered.

On September 5, 1962, the U.S. Department of Agriculture announced that the United States would participate in the FAO project by pledging $40 million worth of food and $10 million in cash to a $100 million U.N. world food program.

The senior Senator from Iowa [Mr. HICKENLOOPER] protested this action at the time, but the administration contended that it had now found residual authority in the law to enter into this agreement, and that specific authority as requested in the farm bill was not really needed.

Senator HICKENLOOPER'S comment was most appropriate when he said at page 18752, CONGRESSIONAL RECORD, volume 108, part 14:

I think this is the first step in relinquishing U.S. control of our agricultural commodities. In my estimation, this is the first step toward giving the Communists under the domination of the Soviet Union an equal share as to the operation of our so-called food-for-peace program. I raise the question again—If the Secretary had the authority under Public Law 480, then why did he ask the Congress to give it to him in 1962?

The utter disregard of the intent of Congress in this grant of aid to Communist Cuba should not be tolerated, Mr. Speaker. I most sincerely and emphatically urge that the Foreign Agricultural Operations Subcommittee of the House Committee on Agriculture give this matter its immediate attention and that the Secretary of Agriculture explain fully to the Congress and the American people how U.S. funds and food can be used, even indirectly, to benefit the likes of Fidel Castro.

## BETANCOURT REVISITED

Mr. ASHBROOK. 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 Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I think it is only fair that we hear both sides of the story regarding the erstwhile Venezuelan leader, Betancourt. Mr. Harold Lord Varney, president of the Committee on Pan-American Policy, delivered an address at a seminar conducted by the conservative coalition here in Washington on January 31 of this year. It represents a strong statement of opinion and fact on the other side of the Betancourt coin. The address follows:

I want to start out by saying a few words about the latest Cuba events. The Cuba debate has deteriorated into a "who said it?" contest. Attorney General Kennedy says that the United States didn't promise air coverage to the Bay of Pigs invaders. President Kennedy backs him up in his press conference. One thousand and one hundred Bay of Pigs invaders, minus one man who sustains the Kennedy position, say that they were promised air coverage.

I don't intend to engage in a veracity contest with the President of the United States. If he says he didn't promise it, his word is good enough for me. But if such air coverage was not promised, where does that leave us? President Kennedy does not better his own image because, by all the rules of war and humanity, he should have promised

such coverage, and delivered it. What kind of a picture of the great United States does that imprint? We induce 1,300 brave men to invade Cuba at risk of their lives in an operation which we should have done ourselves, and then, after dumping them on the beaches in the firm belief that they will be supported, we do a Pontius Pilate act and leave them to their fate. Let's be honest and stop making excuses for ourselves. We walked out on the Cuban invaders, when they could have won. We flinched before Fidel Castro when we could have destroyed him. This is a record of shame which every American citizen must carry into the future. It is a record which will not soon be forgotten by the Latin Americans who want to be our friends, but who also want to respect us.

But I am not going to consume my time this morning with postmortems about the Bay of Pigs. I think we will learn nothing from our Cuba experience if we do not recognize that Cuba is only one sector in a hemispheric life-and-death struggle which we are now waging with communism. It is a vital sector, but it has meaning only if we see it against the livid background of an all-America struggle which we are losing in Brazil, in Venezuela, in Bolivia, in the Dominican Republic, in British Guiana and in Ecuador—just as we are losing it in Cuba. And the cause of our loss, I attribute to the almost incredible ignorance on the part of most of the American people, of the very nature of the fight which communism is waging against us in the Western Hemisphere.

The great paradox of our struggle against communism is that the overwhelming majority of Americans don't even recognize or suspect the Communist enemy unless he comes to us bedizened with all the regalia and the proofs of signed-up Communist Party membership. World communism is winning stupendous victories in Asia, in Africa and in Latin America, and we don't even recognize them because the winners are not openly labeled "Communist Party." This blindness is not restricted to the laymen. It is a blindness which exists appallingly in the press, on the air waves, in the security organizations of the Government, and even in the sacred precincts of the National Security Council which advises the President on his foreign decisions. No wonder we have been wrong on Castro. For over a year after his triumph, the wise men in Washington and in the radio and TV commentator's booths were so busy trying to prove that they were right in declaring that Castro was not a Communist, that Nikita Khrushchev had already been installed immovable in Cuba before our "experts" had come out of their trance.

Some of us who have been fighting this evil thing for three decades or more have finally learned to recognize a Commie, no matter what kind of a beard or a mustache he may be wearing. But the Johnnie-come-latelies in the anti-Communist movement are almost invariably slaves to labels, and disguises. They are fearfully conscious of the peril of the communism which emanates from the Kremlin or from vocal organs of Nikita Khrushchev. But beyond this open and perceptible communism which conspicuously rears the Communist name, most of them are naively unaware of the great surging tide of communism which is mounting triumphantly in all world areas and which masks itself under the names of "social democracy," "socialism," "peace," "liberalism," and similar cognomens. Today, probably two-thirds of the important Communist work is being done by such Trojan-horse movements. Probably two-thirds of the people who are consciously working for communism have dropped the identifying Communist name and are operating under some unsuspected label. And it is a commentary on the wisdom of the Rostows, the Schlesingers, the Bundys and Hubert Humphreys, who are showering their advice about communism upon the President, that they wouldn't recognize most of these Trojan horses as Communists if they met them walking down the street. They would be most likely to hail them cordially and heartily as brother anti-Communists.

Let me elaborate on this point a little further. The policy of the Trojan horse, the policy of planting Communist infiltrators in nonparty organizations and working behind unsuspected liberal fronts, was inaugurated by Misvow on a grand scale in the 1930's. It had a striking success in the United States during the Hiss era and after World War II. It was employed brilliantly in Latin America under such leaders as Cardenas, Lombardo Toledano, Haya de la Torre, Betancourt, and Arevalo.

What the Schlesingers, the Rostows and the Berles don't seem to grasp is that the Trojan horse technique has never been liquidated in Latin America. It is a weapon which is rated by Khrushchev as high as outright Castroism. Today, although the spotlight is on Castro and his out-in-the-open communism, the main show in Latin America is the nonparty communism which, under "Liberal" and "Democratic" labels is sweeping on from victory to victory in one country after another.

This is a communism which you won't read about in the self-styled anti-Communist books of R. J. Alexander, Daniel James, or Jules Dubois. Its existence remains a dark, deep mystery to Ted Szulc, Jack Kofoed, or Herbert Matthews—our leading newspaper Latin American specialists. But it is the deadliest Communist threat in the hemisphere today. It is working on a timetable of bold plans to confront the United States with a solid bloc of cooperating leftist nations, each guided by a man who is working for Moscow. And it is succeeding progressively in this plan, thanks to the gullibility of Washington.

If, in this fluid situation, I could designate a top leader of this mask-wearing Communist operation, I would name Romulo Betancourt, now in his fifth year as President of Venezuela. Betancourt, today, has gathered three nations into his leftist bloc—Venezuela, Bolivia under Paz Estennsoro, and the Dominican Republic under Bosch. He is now beginning to play power politics on a grand scale.

Bolivia was drawn into his net by his promise to Paz Estennsoro that he will pressure Kennedy to give Bolivia access to the sea by forcing rightwing Peru to give up a slice of its territory. The Dominican Republic became a Betancourt satrapy by lavishly financing the leftist Juan Bosch in his recent surprisingly successful race for the Presidency. (Bosch is a 20-year disciple of Betancourt.) The next target is Communist-controlled British Guiana which is only waiting for London to give it independence to show its hand openly in South American politics. Cheddi Jagan is another one whom Betancourt has financed.

The only real setback which he has had in his audacious program was in Peru. Here the skids were greased last year for the election to the Presidency of Haya de la Torre. Betancourt's 30-year intimate in Communist hugger mugger in South America. According to rumors, Betancourt sent 2 million Bolivars into Peru to swing the election. He had the almost open support of American Ambassador James Loeb, Jr., HUBERT HUMPHREY'S protege. But the Peruvian army, not deceived by Haya de la Torre's pretended anticommunism, annulled the election and set up a genuine anti-Communist government. Betancourt had enough influence in Washington to induce the State Department to break off American recognition and American aid to the new government of President Perez Godoy. But when he tried to bully the OAS into declaring sanctions against Peru, only 4 countries out of 20 supported. Betancourt protested insolently to the White House when the United States finally recognized Perez Godoy.

What Betancourt is seeking, obviously with Khrushchev's blessing, is the creation of a third force in Latin America, interposed between the United States and the conservative Latin American countries. This third force, by centrifugal attraction, would draw all the malcontents of Latin America, who are unwilling to go the whole way to Castroism into the Moscow orbit. It will be a force which will eventually shatter all of the present precarious American influence in the hemisphere. It will isolate the United States and make us powerless against future leftist blackmail.

In the presence of such a dangerous development, it would be supposed that Washington would be working strenuously against it. Unfortunately, it is not. So unrealistic and Communist-deceived are the minds which are now shaping our administration Latin American policies, that they are actually encouraging Betancourt's maneuvers. All that the time-hardened Communist schemer need to do is to utter a few Uriah Heep anti-Communist phrases and the State Department is ready to leap through hoops to please him. Guileless as always, the "Rover boys at Foggy Bottom" are actually welcoming this new Betancourt burgeoning as a victory for the United States. In the topsy-turvy picture of the world which is in their mind, Communists have only to utter the incantation of anti-Communist to be hailed as our champions against Moscow.

The whole problem has blown up frighteningly before the eyes of informed Americans by the current happenings in Miami. In December, President Kennedy shocked anti-Communist Americans by issuing an invitation to Betancourt to come to Washington to be the honored guest of the United States. He accepted the invitation and will arrive during the third week of February. I can almost picture the fawning reception which befuddled American liberals are preparing for him.

But Betancourt was not content to accept his Washington circus and leave the United States with some shred of self-respect. He laid down conditions. He insisted that the bail under which the anti-Communist former President of Venezuela, Marcos Perez Jimenez, was at liberty in Miami, must be revoked and that Perez Jimenez must be behind bars during his visit. And to the shame of America, Washington complied. On December 12, Gen. Perez Jimenez was taken from his home in Miami by U.S. marshals and thrown into a cell in Dade County jail. He has been lying there ever since.

Now it should be pointed out that Perez Jimenez, if we were true to our tradition of political asylum, would not be under bail in the first place. Ever since he won power in Venezuela, Betancourt has been haunted by the specter of a possible return of Perez Jimenez to Venezuela to lead a successful right counterrevolution. He recognizes that Perez Jimenez is the only Venezuelan who has the prestige to be a barrier to his stealthy plans to make Venezuela a Communist country. And so his continuous purpose has been to persuade the United States to deliver up Perez Jimenez to him as a prisoner to be tortured and killed in his notorious Casa Gris political prison.

To accomplish this, he instituted an extradition suit against Perez Jimenez, charging him with a long list of alleged crimes. It is a customary political technique for successful revolutions to charge the outgoing President with corruption and venality. To prosecute his case, Betancourt hired the Washington law firm of Dean Acheson, and

a Mr. Westwood of that firm has represented Venezuela at every court hearing. Bail of $100,000 was demanded and the former President put it up. This is the bail which has now been mysteriously annulled.

It is one thing to make a mistake in dealing with a crafty lifelong Communist like Betancourt. It is another thing for the United States to lie down like a dog before him and let him walk over us. This is what the deluded men who now run our Latin American policies are doing. The question is, are self-respecting Americans going to allow them to do it? Unless Washington hears a thunderous protest going up from plain Americans all over the country, there is grave danger that one of the outstanding anti-Communists of Latin America, a man who was decorated by President Eisenhower in 1954 as a firm friend of the United States and as a bulwark of anticommunism, will be delivered by us to his death. In the barbiturate atmosphere which now pervades Washington, such a thing could happen. We did it to Tshombe; Why question the possibility that we could do it to Perez Jimenez?

Khrushchev, thanks to our blunders in Cuba and elsewhere, has a long lead over us in much of Latin America. But our crowning folly in this whole tragi-comedy is our present acceptance of Khrushchev's most skillful operator in the Americas to be our champion against hemispheric communism. Under our present demented policies, we are fast becoming a nation of Little Red Ridinghoods who will never recognize the wolf until he starts to eat us up. The next few months will be crucial in our struggle to save our own part of the world.

## JOINT COMMITTEE ON THE BUDGET

Mr. McCLORY. 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. McCLORY. Mr. Speaker, I am today introducing a bill providing for the creation of a Joint Committee on the Budget. This is not a new idea, and a great many provisions in the bill are taken from earlier measures introduced both in this Chamber and in the Senate.

However, the introduction of this measure should help to emphasize the importance of providing the machinery for a thorough and substantial revision of the budget presented to this body by the President. As a new Member I am not satisfied to acknowledge that there is little or nothing that the Congress itself can do to curb and reduce Federal expenditures. Nor can I reconcile myself to the thought that personalities and prerogatives of existing committees or individuals in the Congress prevent the membership as a whole from expressing their will and the will of the people of this Nation who want a reduction of Federal spending in various areas.

The proposed joint committee—by including a predominance of members from the House of Representatives—recognizes the constitutional advantage which the framers intended should vest in this Chamber. Indeed, when the issue was being decided in the Constitutional Convention of 1787, many delegates favored the granting of exclusive control of revenues and expenditures to the House of Representatives. In addition, by adding membership from the Committees on Government Operations of the House and the Senate, the bill recognizes the managerial and budgetary responsibilities of these committees in their overriding tasks to recommend efficiency and economy wherever possible in our Federal Government.

Mr. Speaker, the 36-member committee—comprising 21 members from the House and 15 members from the Senate—with staff personnel commensurate with the 450 persons who are said to have compiled the executive budget could fulfill the greatest responsibility which confronts the Congress. Certainly in our economic stability lies the principal strength of our Nation.

Mr. Speaker, I recommend to the careful and thoughtful attention of this House the enactment of this bill, or some comparable measure sponsored by whomever chooses to promote the passage of such urgently needed legislation. Our Nation can—and will—survive, and the Congress can—and will—measure up to its full responsibilities in the fiscal affairs of the Nation. My effort here, today, is merely to add encouragement to the task of all of us to keep this Nation economically strong and everlastingly free.

## ONE HUNDRED AND FIFTIETH ANNIVERSARY OF COMMODORE PERRY'S VICTORY ON LAKE ERIE

Mr. WEAVER. 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. WEAVER. Mr. Speaker, "We have met the enemy and they are ours; two ships, two brigs, one schooner, and one sloop."

With these words Commodore Oliver Hazard Perry reported our victory over British naval forces in Lake Erie 150 years ago. The victory on September 10, 1813, had profound results on the conclusion of the War of 1812 and the future of the United States as a nation.

The medals provided for in the bill which I am filing today would not only commemorate this victory, but the anniversary of the building of Commodore Perry's fleet at Erie, Pa., which is in my congressional district. They also would signify the 150 years of peace along the Canadian-American border since the battle. With all the turmoil in the world today, it is unique that the peoples of our two countries have experienced this long period of peace along the more than 3,000 miles of unguarded border between the United States and Canada.

Erie, along with other communities along the Great Lakes, is making elaborate plans for sesquicentennial celebrations in observance of this historic milestone.

Erie, now a rapidly growing international seaport, takes pride for its part in the ultimate victory that saw a British squadron surrender to Perry. This Lake Erie seaport was the site of construction for the ships in the naval officer's fleet. The woods surrounding Erie provided the lumber that went into the sturdy American ships. The refurbished flagship *Niagara* is still proudly anchored in the harbor of Erie.

There is much historical significance in Erie and the surrounding area. This 150th anniversary observance will focus attention on northwestern Pennsylvania's historical past, and its great potential as a port and industrial center of the future.

It is hoped that this commemoration will stimulate local interest in renovating such historic landmarks as the Perry Victory Monument, Anthony Wayne Blockhouse, Land Lighthouse, Perry Memorial House, Dickson's Tavern, Capt. Charles Gridley's grave, the Old Customs House, and other historical monuments in northwestern Pennsylvania.

The sesquicentennial observance will bring State and National attention to northwestern Pennsylvania's historical background and outstanding recreational facilities, including Presque Isle State Park at Erie.

## THE ALTERNATIVES INVOLVED IN THE TAX DEBATE

Mr. ROBISON. 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 New York?

There was no objection.

Mr. ROBISON. Mr. Speaker, it is abundantly clear that the major issue before this session of the 88th Congress is to be the issue of tax reduction and reform. This is a situation that I, personally, relish for I have long urged the necessity for comprehensive structural and rate reform of a tax system that the President has now, and accurately, described as being "obsolete."

I am, today, introducing three measures which, as a package, sum up the tentative conclusions I have reached. They include a companion bill to this year's version of the so-called Herlong-Baker tax-reduction bill—which, in its earlier forms I also introduced in both the 86th and the 87th Congresses; a bill calling for the creation of a Joint Committee on the Budget—which is a companion piece to S. 537 as recently introduced in the other body by the gentleman from Arkansas, Senator McCLELLAN, and a host of distinguished cosponsors—and, finally, a bill comparable to H.R. 11498 as introduced by myself in the 87th Congress calling for the creation of a Commission on Federal Taxation.

Inasmuch as the only kind of tax reform the President is now proposing—and this Congress will apparently consider—is widely different from the comprehensive structural reform which I believe desirable and necessary, I also intend, in subsequent days, to introduce several other comparable reform proposals designed to correct certain inequities that exist in that obsolete tax

system of ours and designed, too, to provide needed incentives to encourage more of our citizens to meet their own needs.

However, for the time being, I am including in my remarks a speech I prepared for delivery this past weekend in my district, and having reference to the three bills I am introducing today. The speech follows:

ADDRESS BY HON. HOWARD W. ROBISON, OF NEW YORK

In an address delivered at Yale University last June, President Kennedy called for a national debate or dialogue covering broad politico-economic areas including Federal fiscal policy. It remained, however, for him to submit his proposals for tax reduction and reform to this Congress to signal the start of such a debate.

But, however it has been brought about, this focusing of public and congressional attention on matters which most of us—like so many Scarlett O'Haras—have until now preferred to "think about it tomorrow" is a healthy and welcome event.

As one who has long urged the need for both tax reduction and reform, I am reminded of Victor Hugo's words: "Greater than the tread of mighty armies is an idea whose hour has come." Perhaps the "hour" for Federal tax reduction and meaningful reform has, indeed, arrived. If so, this is, for most of us, the "chance of a lifetime" for the record clearly shows that basic tax revision has only occurred in this country on the average of once every generation.

Certain it is that the decisions we—all—will here be required to make must be wise ones for we may have to live with them, and reap the consequences thereof, for many years to come. And, if one is willing to accept—as I am inclined to do—the premise that the future shape of our Nation, and perhaps of the free world, may well depend on those decisions, then the full nature of our collective responsibilities becomes even clearer.

Within the past several months, a rather remarkable consensus of opinion has been developing in support of the theory, as expressed by the President, that "our obsolete [Federal] tax system exerts too heavy a drag on private purchasing power, profits and employment. Designed to check inflation in earlier years, it now checks growth instead. It discourages extra effort and risk. It distorts the use of our resources. It invites recurrent recessions, depresses our Federal revenues, and causes chronic budget deficits."

I have been saying this sort of thing for several years—though less eloquently—so, when the President then went on in his recent state of the Union message to urge congressional action this year to reduce the burden of that tax system, and declared this was "the most urgent task confronting the Congress in 1963," I fully agreed.

I am sure I need not remind you of how much Federal income tax you pay. Or of the fact that, if you work for or operate your business as a corporation, Uncle Sam is the majority stockholder therein insofar as profits are concerned. What you may not have realized, however, is the fact that we Americans, almost alone, place such a heavy reliance on income taxes as the prime source of governmental revenues. In 1960, 83.4 percent of all Federal tax revenues came from this source—45 percent from the individual income tax, alone. By comparison, no other country derives more than two-thirds of its revenue from levies on income, and in only three countries—Australia with 34 percent, Denmark, 32.4 and the Netherlands with 30.4 percent—do personal income taxes bring in as much as 30 percent of central-government receipts. For France, Germany and Japan—all enjoying rapidly growing economies compared to ours—the share of revenue derived from personal income taxes in 1960 amounted to only 17.4, 20.8 and 19.9 percent, respectively.

Certainly it can be argued that these high rates—spawned in the years of the great depression and extended through many years of both hot and cold war spending—have caused the vital mainspring of our American system—that something we call personal incentive—to lose much of its resiliency, and, together with unrealistic depreciation treatment, have condemned many of our business enterprises to a state of involuntary liquidation—draining off that part of their paper profits which would otherwise have been transformed into capital for needed growth.

As for such growth, while our economy is still trending upward, at a yearly average since 1955 of 2.7 percent, when compared to current European growth rates of 4, 5, and 6 percent, and to our own earlier postwar rate of 4.5 percent (this from the President's Economic Report), this does not look so good. Now, it may be true that the New Frontier practitioners of "growthmanship" chose here to use a political rather than a more meaningful economic period as their yardstick, but still, it seems clear that our American economy does suffer from a "tired blood" condition, the best evidence of which is not just idle plants and workers but obsolete plants and obsolete skills. The need for retraining displaced farmers, coal miners and the like, is another topic for another time, but surely—in a time of such rapid technological change as this—the fact that the United States in 1960 had the lowest national investment in new machinery and equipment—measured in terms of percentage of gross national product—of any other country in the so-called free world is solid evidence that something is very wrong.

This is a condition that persists despite the massive efforts of this administration to revitalize the economy through an increase of Federal expenditures—in accordance with Walter Reuther's theory that: "The bold use of Government spending is the most powerful single remedy we have for unemployment." Nor has there been, as yet, any immediate sign of substantial improvement as the result of the somewhat revised treatment of depreciation, adopted last year by the Treasury Department or the enactment in 1962 of the so-called investment incentive tax credit.

There is other handwriting on the wall: Most businesses now tend to consider their tax consultant a more valuable asset than a good research and development department; and with the need for developing new markets so apparent why is the risk inherent in doing so almost totally unacceptable, and why, for instance, has leisure for many Americans become more attractive than extra work?

There are side effects, too, which one might also mention, such as the serious undermining of, at least, the tax morality of the average citizen, but I doubt if it is really necessary to further argue the case for tax reduction and reform, because, in today's Washington as well as around the country, there is little disagreement over the primacy of such an objective—just broad disagreement on how best to achieve it.

Putting aside—for the moment—the question of tax reduction, let me say that I have long favored genuine tax reform—reform aimed at simplifying our patchwork Tax Code and ridding it of its inequities; aimed, too, at more than closing loopholes and broadening the income tax base but at the need, too, for finding new sources of taxation which, with lessened emphasis on income taxes, might be both more fair and efficient than our present obsolete system.

However, it must—by now—be clear to all of us that the specific reforms which Mr. Kennedy has proposed do not fall into this category. Instead—in a giveth and taketh sort of way—they come much closer to a shuffling around of existing complexities and inequities and, understandably, have been met with caution and concern by both Congress and the people, and have created a growing skepticism about the value of the kind of tax revision the President is offering.

Of course, enacting true tax reform would be a most difficult and delicate operation. I, for one, have previously questioned congressional ability to deal objectively and wisely in this field, in view of its other burdens and the supercharged political atmosphere in which it must operate. The experience of watching the last Congress struggle with the 1962 tax bill—a modest venture compared with this year's package—did little to bolster my confidence.

And so this is why, in the last Congress, I introduced a bill to establish a study group to be known as the Commission on Federal Taxation, to make a comprehensive review of and recommendations for the reform of our tax system—something after the nature of the successful Hoover Commission operation of a few years back. I regret to say that bill was not enacted. However, though it may seem paradoxical to try again with the House Ways and Means Committee already tackling the problem of tax reform—I have again introduced it this year because I see little hope for meaningful reform.

If I am right—and I hope I am wrong—our alternatives are seemingly reduced, for the time being, to the barren option of doing nothing or the option of agreeing to some form of tax reduction with reform being limited to various offsetting devices.

The barrenness of that first option—if it can even be called an option—is pointed up by some rather grim statistics showing the hopeless inadequacy of our present system. That system produces enormous revenues—but practically never sufficient for the Federal appetite. As evidence that we have long since passed the point of diminishing returns, thereunder, consider these items: In 8 of the past 12 fiscal years, the Federal budget has shown a deficit; moreover, since 1930 a budget surplus has only been recorded in 6 years.

As a result, the public debt has grown (no problems in growth, here), from $16.2 billion on June 30, 1930, to $298 billion on June 30, 1962, a 17-fold increase, and sometime around the end of this year it will, temporarily at least, climb to approximately $315 billion. Since 1950, alone, that debt has been growing at an average rate of $3.6 billion a year and, although some do seek to discount popular concern over this trend by accurately pointing out that the debt is now a smaller percentage of gross national product than it was immediately after World War II, that is no particular cause for joy when one considers that much of this ratio-reduction is attributable to the massive inflation we enjoyed in the period between 1945 and 1951, when the purchasing power of our dollar (using 1936 as a 100-cent base), plummeted from 76 cents to 46 cents—a disaster the great majority of us cannot forget.

There are those in the President's official family who seem to deplore our fixation on the cost of that experience with galloping inflation. To these people, the resulting desire on the part of most Americans to have the Federal Government balance its books, at least in good years, has become an old-fashioned fetish. For instance, the Chairman of the President's Council of Economic Advisers, Dr. Walter Heller, recently referred—with some implied derision—to such a desire as representing a "basic Puritan ethic of the American people."

It is this school of thought, apparently, that the President has joined in urging Congress to undertake the bold economic gamble of a tax cut in the face of continued deficit spending, an unfavorable balance of payments and dwindling gold reserves. The

buffer against resulting inflationary pressures is supposed to exist in that idle plant capacity and in unemployment that refuses to drop much below 6 percent.

Thus, for the time being at least, the President seems to have discarded the notion advanced by Dr. Heller and others that a further stimulation of the public sector of the economy could produce a more selective and thus a more creative economic expansion than a comparable stimulation of the private sector via tax cuts. Dr. Heller is not, of course, urging this opposite course at the present time, but I think it is fair to assume that this alternative has not been wholly discarded—even though the kind of economy we might thus end up with could well differ radically from the one we presently enjoy.

The tipoff to this can be found in this sentence from the state of the Union message, and I suggest you listen to it carefully: "No doubt a massive increase in Federal spending could also create jobs and growth—but, in today's setting, private consumers, employers, and investors should be given a full opportunity first."

Has not the President, then—and quite fairly—put us on warning? A warning to the effect that Congress—and the people—are to have a chance to prove what the private sector can do for the country if the tax brake is partly eased, but that, if Congress—and the people—are unwilling to take that route or unable to agree on the details thereof, then Dr. Heller and company will be given an even freer rein than previously to see what the country can do for us.

If this analysis is correct, the burden of our decision—at least for me—becomes even clearer.

Now, certainly, public opinion will play a part in shaping that decision. The President is fully aware of his uphill pull—and of the political risk of the innovation of a planned deficit of some $12 billion as an integral part of his record budgetary plan for fiscal 1964. Although this risk is probably more than balanced off by the prospect of improved business conditions that a tax cut might produce—with or without reform—in 1964, a presidential election year, Mr. Kennedy has moved to meet the same head on.

He has thus referred to the tax cut—with the hoped for spin-off of greater Federal revenues by a more active economy—as "the surest and soundest way of achieving in time a balanced budget in a balanced full-employment economy," and he has had the same Dr. Heller attempting to initiate the "Puritan minded" American to the intricacies of the difference between deficits "that grow out of economic recession or inadequate growth"—like the near $9 billion deficit projected in this current fiscal year—and those "that grow out of positive fiscal action, such as tax reduction, to invigorate the economy" (these quotes being from the President's Economic Report). Dr. Heller has characterized the former as being "deficits of weakness"; the latter as "deficits of strength," but—if I am reading my mail accurately—I doubt if my constituents see any real difference.

I also read my mail—and I doubt if it is any different from that being received by other Members of Congress—as indicating that the great majority of my constituents, while they would welcome a tax cut, are unwilling to accept the benefit of any such cut unless there is an accompanying reduction in projected Federal spending. I am pleased they are taking this position, because it also would have been mine in any event.

My constituents further—and with good reason, I think—are skeptical about the degree of vigor with which the President will seek to restrain the ever upward trending Federal budget, and are looking to Congress to do so.

Can, and will, Congress comply?

Not, I think, unless an aroused public demand develops for such restraint—and there is a surprisingly good chance of this—and not, I fear, under existing congressional procedures for dealing with budgetary requests.

About a month ago—and 2 years ago as well—the House of Representatives engaged in battle over reform of its Rules Committee. The President's victory in each instance was hailed as legislative reform, but, in my judgment, it was spurious reform at best. There were and are other areas of congressional procedure more desperately in need of the attention of the would-be reformer—foremost among which would be how to help Congress, in this day of $100 billion budgets, to stop just appropriating money and get back to really budgeting.

Now, this is not intended to be critical of the members of the Appropriations Committees of Congress. They are, by and large, the hardest working and most dedicated of all my colleagues, but they now must labor under such difficulties that it is little wonder Congress has come close to losing all control of the spending process.

Of necessity, as they break up into subcommittees to consider their separate parts of the budget, there is little opportunity for them ever to pause to consider how the total is adding up, or to relate to that total the customary changes in projected revenues.

Nor though the budget has risen nearly $20 billion in the past 3 years and is now going even higher, is there time for them to require that sober review of national priorities that the President seems unable or unwilling to make, even though such a review is dictated by commonsense.

Finally—and this is perhaps the worst of all—budgetary hearings nowadays are little more than ex parte proceedings, wherein the only witnesses are expert witnesses in behalf of the departmental or agency request—people who have worked year-round preparing and making ready to justify that request, backed and bolstered by representatives of the Bureau of the Budget and, occasionally, by the prestige of Cabinet members and the like. Rarely, if ever, is the public or the taxpayer heard in opposition. Understaffed—and overburdened with legislative and other responsibilities—there is little a member of the Appropriations Committees can do about this.

The answer, in my judgment, or at the very least the first step toward that answer, would be passage of a bill I am also introducing this year to create a Joint Committee on the Budget, composed of seven members from each of the House and Senate Appropriations Committees, to be adequately staffed—and I wish to underscore that—and to serve as a continuing watchdog on overall budgetary matters, analyzing and screening requests in the same way the Bureau of the Budget is supposed to do, and checking on departmental and agency expenditures—as the money is spent—for waste, extravagance and duplication. This idea—which is a more practical extension of an unimplemented recommendation of the old Hoover Commission and is patterned after the successful Joint Committee on Internal Revenue Taxation—would pay for itself many times over.

Arrayed against it, however, will be the forces of traditionalism and the fear on the part of the House that it may, somehow thereby, lose its constitutional privilege of instituting revenue bills. However, I believe the cause of fiscal sanity outweighs these arguments, persuasive though they may be, and that it is time for Congress to stop criticizing the President—whoever he is—for lacking a sense of fiscal responsibility, when the greater responsibility therefor—the constitutional responsibility—rests with Congress. It is time we set our own house in order.

Finally, in order that the private sector may have that chance to see what it can do, I favor income tax rate reform along the lines proposed in the current version of the so-called Herlong-Baker tax bills, with which some of you may be familiar. I have been a cosponsor of the original version of these bills in both the 86th and 87th Congresses.

Time does not permit me to go into the details thereof, except to say that this year's bill—which I am introducing—calls for the gradual reduction of personal income tax rates, over a 5-year period, to bring the first bracket rate down to 15 percent and the present top bracket to 42 percent, and lowering corporate rates over the same period from 52 to 42 percent. The average annual tax savings under this bill would be about $3.85 billion, of which $2.85 billion would go to individuals and the remaining $1 billion to corporations—a somewhat more balanced division than the President proposed in his tax cut package.

This bill would produce $19.25 billion in tax savings over a 5-year period, as compared to the President's plan for a $13.5 billion tax cut over a 3-year period, but the President's cut—already in fact reduced by the $2 billion increase in social security taxes that took effect the first of this year—would be further reduced, if Congress goes along, by his suggested reforms which are designed to bring in offsetting revenues of about $3.5 billion.

No comparable structural reforms are tied into my proposal—this in accordance with my belief that, despite the need for genuine reform, the time for rate reform is now, especially in view of the alternative laid down by the President.

However, the key provision of this bill—and the reason it has my strong support—is a provision tying those projected tax cuts, after the first 2 years of the program, to a balanced budget except for necessary increases related to defense, space and debt service. Under this provision, scheduled tax cuts would have to be postponed in any year—after the first 2—when the budget was out of balance due to increases in programs or for purposes other than those just mentioned.

I am as aware as anyone else of the true needs of the American people, and of the role that the Federal Government should play in helping them to meet those needs. However, I am convinced that the executive branch and Congress can work together to control domestic spending—under the discipline imposed by the military requirements of the cold war—without harm to any vital public program or any segment of the public. And I would point out that those who might benefit under any new program that was necessarily delayed or reduced in scope, also share the common general public interest in better economic growth and economic strength.

It should be fully understood, however, that though I favor this kind of tax cut, I reserve my right to vote against the same if spending projected for fiscal 1964 is not held at or near 1963 levels. I believe that it is not only prudent, but altogether possible to so restrain Federal expenditures—unless we are wholly lacking in self-discipline. In seeking to do so, Congress should give particularly careful scrutiny to both military and space spending plans and I think the President is ill advised in trying to shield these from even responsible pruning.

Let us also remember that we are—like it or not—also subject to the discipline imposed upon us by the balance-of-payments problem which is clearly not improving. Until recently, the administration has counted on European cooperation in defending the dollar, but growing waves of anti-Americanism abroad may cause us to reassess the situation.

Well, much more could be said but I am out of time and you are undoubtedly out of patience. I do not expect you all, nor even perhaps a majority of you, to agree with what I have said or with my tentative conclusions. I would hope, however, that this discussion may encourage you to personally participate in the vital decisions to be made—with a better understanding that the wisdom and the creativity of the private sector of our American economy may well be on trial.

## UNITED NATIONS SPECIAL FUND

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

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

There was no objection.

Mr. HALL. Mr. Speaker, it has often been said that what is past is prolog and we who are not given to understand the future must study the past. The solemn reading of George Washington's Farewell Address and our continuing applicability of it to the present reminds us of what Lord Brougham, a contemporary of President Washington, said, that those who are informed are easy to lead, difficult to drive, easy to govern, and impossible to enslave.

Mr. Speaker, the United Nations Special Fund has received considerable attention during the past 2 weeks because of a U.N. grant to Castro's Cuba to carry out an agricultural project. Because this grant strikes me as incredible, considering our 40-percent subsidization of this Fund, I asked the Department of State to furnish me additional information regarding the operation of the U.N. Fund, since its inception in 1959.

After reviewing more details of the operation of the Special Fund, I am more completely convinced than ever that American taxpayer dollars are being used to support projects in Communist countries far beyond the recent disclosures involving Cuba and the Cuban shooting up of our shrimp boat today.

While the U.S. contributions to the United Nations Special Fund have increased 300 percent since 1959, the contributions of the Soviet Union have not increased a single penny. Here are just a few facts that have come to light. Yugoslavia which has contributed less than $1 million over the past 5 years is on the receiving end of the United Nations Special Fund for more than $2½ million. One of the United Nations projects in Yugoslavia which is subsidized over 40 percent by the United States is a project called nuclear research and training in agriculture. This is the only nuclear research project identified under the Special Fund sponsorship and it is being carried out by a Communist-bloc nation.

What I have seen convinces me that the taxpayers of the United States have even further cause to doubt the wisdom of turning responsibility for the dispensation of their tax funds to those who man our Department of State. What is it about our State Department, Mr. Speaker, that drives men to lose their sense of proportion when vast sums of money are placed in their trust?

I invite the careful attention of Members of the House to the tables, which I shall ask unanimous consent of the House to insert in the CONGRESSIONAL RECORD at the end of these remarks. They indicate the degree to which we are conducting a foreign aid program which benefits the Communist bloc, outside of our own considerable foreign aid expenditures.

In particular I call your attention to the fact that while the total contribution of the Communist bloc has increased less than 5 percent, and the contribution of Soviet Russia has remained constant over a 5-year period; the U.S. contribution to the U.N. Special Fund has increased 300 percent in that same period.

Not a single year has gone by since 1959 that we have failed to increase the U.S. contribution by a substantial amount. None of the funds are spent on projects in the United States which contributes 40 percent of the Special Fund, while the Communist-bloc countries are sure that almost all of their funds will be spent in Communist nations because they do not permit conversion of their moneys, except to a very restricted degree.

Here is what one finds when one traces the history of contributions:

In 1959, the United States contributed $10,300,000 while the U.S.S.R. contributed $1 million and the total Communist-bloc contribution was $1,593,000.

In 1960, the United States contributed $15,900,000—a 50-percent increase. The U.S.S.R. contribution remained steadfast at $1 million and the total Communist-bloc contribution was only $1,625,425.

In 1961, the United States increased its contribution again, this time to $19,-900,000. The U.S.S.R. contribution remained at $1 million and the total Communist-bloc contribution was $1,637,425.

In 1962, the United States again increased its contribution to $25,300,000. The U.S.S.R. contribution once more remained steadfast at $1 million and the total Communist-bloc contribution also remained relatively static at $1,685,000.

In 1963, the U.S. contribution jumped to $29 million. The U.S.S.R. contribution remained at $1 million and the total Communist-bloc contribution remained at $1,685,000.

Now, even these astounding ratios do not tell the full story. The Communist-bloc figures include a $30,000 pledge from Cuba which as of November 1962 had not been paid. Presumably, now that Cuba has been given a large grant she will not mind keeping her word. After all, who would not give a nickel to get a dollar?

Furthermore, contributions from the Communist nations are made in the currency of the donor with only a very insignificant provision of conversion. Yugoslavia allows 20 percent convertibility. The three Russian members of the U.N. limit convertibility to 25 percent and then only to cover travel expenses, salary payments to experts—usually their own—and freight and transportation charges on equipment shipped from the U.S.S.R.

In other words, the Communist-bloc nations make sure that any money they contribute to the fund will be expended in Communist countries or countries which can only spend their assistance to rubles.

How have the Communists fared under this arrangement?

Yugoslavia, which has contributed a total of $957,000 over the 5 years, is on the receiving end of three projects totaling $2,627,000.

Poland, which has contributed the meager sum of $625,000 over a 5-year period, is on the receiving end of two projects totaling $1,837,000.

Mr. Speaker, even the tiny country of Switzerland contributes more to the U.N. fund than Soviet Russia.

The Members will be interested to know that only one identified nuclear research project is being carried out under the auspices of the U.N. Special Fund. It is going on in Yugoslavia—a Communist-bloc nation—and is labeled "Nuclear Research and Training in Agriculture," and is a 3-year project approved only last May—1962.

Let me make some other comparisons: First, the United States which provides 40 percent of the funds, furnishes only 96 paid staff members—211 less than our share if a 40 percent figure were used; second, on the other hand, the Communist bloc, which contributes only 4 percent of the fund provides 24 paid experts, or almost a third of the U.S. allotment.

Here are some random expenditures around the world being financed by the U.N. Special Fund with a generous assist by the United States: $3,866,000 for a study of the desert locust; $523,700 for an institute of public administration in Accra, Ghana; $806,700 for land and water surveys in the upper and northern regions of Ghana; $997,400 for a statistical research and development center, Djakarta, Indonesia; $605,600 for a survey of Ganje Reservoir scheme in British Guiana.

These are only a few examples of expenditures in countries which have a known affection for communism and Soviet Russia. In British Guiana, alone, there are four projects in which the U.N. contribution is almost $2 million.

Mr. Speaker, as a closing note I might mention that the small community of Branson in southwest Missouri recently made an application for a water and sewerage grant from the Department of Health, Education, and Welfare. I am advised that the grant cannot be made at the present time because there are no more funds available, to quote HEW officials.

Is it not a reflection on the policy of our Government when we can provide 40 percent of the funds for some of the Communist bloc enterprises which I have listed, while we have to turn down an application for funds from an American community? I am seriously considering advising the town of Branson to resubmit their application. Only this time they should submit it not to the Department of Health, Education, and Welfare, but to the United Nations Special Fund, which the taxpayers of Branson and the rest of this Nation are supporting. However, I cannot be overoptimistic about whether such an application would be approved. "Cuba, si, Branson, no," seems to be typical of our U.S. foreign policy in the 20th century.

TABLE I.—*Contributions to U.N. Special Fund by United States and the Communist bloc nations, 1959–63*

[Expressed in U.S. dollars]

| | 1959 | 1960 | 1961 | 1962 | Pledges as of Jan. 9, 1963 | Total, 1959–63 |
|---|---|---|---|---|---|---|
| Pledges | 25,800,000 | 38,800,000 | 48,100,000 | 60,600,000 | [1] 69,500,000 | 242,800,000 |
| Local costs | | 1,000,000 | 1,800,000 | 2,600,000 | [1] 3,000,000 | 8,400,000 |
| Total | 25,800,000 | 39,800,000 | 49,900,000 | 63,200,000 | [1] 72,500,000 | 251,200,000 |
| United States [2] | 10,300,000 | 15,900,000 | 19,900,000 | 25,300,000 | [1] 29,000,000 | 100,400,000 |
| Albania | | 2,000 | 2,000 | [3] 2,000 | 2,000 | 8,000 |
| Bulgaria | 14,706 | 14,706 | 14,706 | 10,256 | 10,256 | 64,630 |
| Byelorussia | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| Czechoslovakia | 69,444 | 69,444 | 69,444 | 69,444 | 69,444 | 347,220 |
| Hungary | 42,608 | 42,608 | 42,608 | 42,608 | 42,608 | 213,040 |
| Poland | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 625,000 |
| Rumania | 16,667 | 16,667 | 16,667 | 16,667 | 16,667 | 83,335 |
| Ukraine | 125,000 | 125,000 | 125,000 | 125,000 | 125,000 | 625,000 |
| U.S.S.R. | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 5,000,000 |
| Cuba | | [3] 5,000 | | [3] 25,000 | 25,000 | 55,000 |
| Yugoslavia | 150,000 | 175,000 | 192,000 | 220,000 | 220,000 | 957,000 |
| Total bloc | 1,593,425 | 1,625,425 | 1,637,425 | 1,685,975 | 1,685,975 | 8,228,225 |

[1] Estimated as of January 1963.
[2] Estimated amount on basis of U.S. pledge of 40 percent of total contributed to Special Fund.
[3] Pledge unpaid as of Nov. 30, 1962.

NOTE.—Contributions from the Communist states are made in the currency of the donor with no provision of conversion except as indicated below. The U.S.S.R., Byelorussian S.S.R., Ukrainian S.S.R.—according to the original condition set forth by these countries, 25 percent of the contributions to be made available in convertible currencies, but the above condition means convertible to cover travel expenses of experts, fellows, missions, and study tours; salary payments to experts in currencies other than U.S.S.R. rubles: and freight and transportation charges on equipment shipped from U.S.S.R. Yugoslavia—20 percent convertibility.

TABLE II.—*Statement of contributions, by governments, to the U.N. Special Fund pledged and paid for the year 1962 as of Nov. 30, 1962*

[Expressed in U.S. dollars]

| Name of country | Pledged | Received |
|---|---|---|
| Afghanistan | 11,500 | 11,500 |
| Argentina | 96,386 | |
| Australia | | |
| Austria | 260,000 | 170,000 |
| Belgium | 625,000 | 625,000 |
| Bolivia | 10,000 | |
| Brazil | 15,254 | |
| Burma | 20,000 | 20,000 |
| Cambodia | 5,000 | 5,000 |
| Cameroon | | |
| Central African Republic | | |
| Ceylon | 10,000 | 10,000 |
| Chad | | |
| Chile | 142,903 | |
| China | 20,000 | 20,000 |
| Colombia | 40,500 | |
| Congo (Brazzaville) | | |
| Congo (Léopoldville) | | |
| Costa Rica | | |
| Cuba | 25,000 | |
| Cyprus | 6,300 | 6,300 |
| Czechoslovakia | 69,444 | 69,444 |
| Dahomey | | |
| Denmark | 1,158,245 | 1,158,245 |
| Dominican Republic | 5,000 | 5,000 |
| Ecuador | 40,000 | 20,000 |
| El Salvador | 2,000 | 2,000 |
| Ethiopia | 29,000 | |
| Federation of Malaya | 10,000 | 10,000 |
| Finland | 200,000 | 200,000 |
| Gabon | 6,076 | |
| Ghana | 42,000 | 42,000 |
| Greece | 30,000 | 30,000 |
| Guatemala | 8,000 | |
| Guinea | | |
| Haiti | 60,000 | |
| Holy See | 1,000 | 1,000 |
| Honduras | | |
| Hungary | 42,608 | 42,608 |
| Iceland | 4,000 | 4,000 |
| India | 2,055,000 | 2,055,000 |
| Indonesia | 25,000 | |
| Iran | 125,000 | |
| Iraq | 40,000 | 40,000 |
| Ireland | 25,000 | 25,000 |
| Israel | 51,600 | 30,100 |
| Ivory Coast | 4,000 | 4,000 |
| Japan | 1,596,037 | |
| Jordan | 16,000 | 16,000 |
| Korea, Republic of | 13,000 | 13,000 |
| Kuwait | 125,000 | 125,000 |
| Laos | 30,000 | 6,000 |
| Lebanon | 47,525 | 47,525 |
| Liberia | 15,000 | 15,000 |
| Libya | 37,500 | 37,500 |
| Luxembourg | 6,000 | 6,000 |
| Mauritania | | |
| Madagascar | 6,076 | 6,076 |
| Mali | | |
| Mexico | 100,000 | 100,000 |
| Monaco | 1,013 | 1,013 |
| Mongolia | | |
| Morocco | 40,000 | 40,000 |
| Nepal | 4,000 | |
| Netherlands | 2,561,436 | 2,561,436 |
| New Zealand | 140,000 | 140,000 |
| Nicaragua | 3,857 | |
| Niger | | |
| Nigeria | 140,017 | 140,017 |
| Norway | 1,329,973 | 1,329,973 |
| Pakistan | 250,000 | 250,000 |
| Panama | 1,000 | 1,000 |
| Paraguay | | |
| Peru | 70,000 | 70,000 |
| Philippines | 66,000 | |
| Poland | 125,000 | 125,000 |
| Portugal | | |
| Rumania | 16,667 | 16,667 |
| Ruanda Urundi | | |
| Saudi Arabia | 50,000 | 50,000 |
| Senegal | 24,000 | |
| Sierra Leone | 10,000 | |
| Somalia | | |
| South Africa | 10,000 | 10,000 |
| Spain | 50,000 | |
| Sudan | 45,000 | 45,000 |
| Sweden | 5,000,000 | 5,000,000 |
| Switzerland | 1,046,512 | 1,046,512 |
| Syria | | |
| Tanganyika | | |
| Thailand | 160,000 | 160,000 |
| Togo | | |
| Tunisia | 50,000 | 50,000 |
| Turkey | 322,222 | 322,222 |
| Ukrainian Soviet Socialist Republic | 125,000 | 125,000 |
| Union of Soviet Socialist Republics | 1,000,000 | 1,000,000 |
| United Arab Republic | 229,753 | |
| United States of America | [1] 24,905,717 | 13,264,908 |
| Upper Volta | | |
| Uruguay | 20,000 | |
| Venezuela | 100,000 | 100,000 |
| Vietnam, Republic of | 16,686 | 16,686 |
| Yemen | | |
| Yugoslavia | 220,000 | 220,000 |
| Total | [2] 60,161,072 | 43,570,027 |

TABLE II.—*Statement of contributions, by governments, to the U.N. Special Fund pledged and paid for the year 1962 as of Nov. 30, 1962*—Continued

[1] The United States pledged $60,000,000 to the Special Fund and the expanded program of technical assistance for 1962 subject to the condition that its contributions must not exceed 40 percent of the total contributions to the Central Fund of the two programs announced as at Dec. 31, 1962. Amount calculated on the basis of pledges announced by other governments ($35,255,355) and payments received in respect of local costs of approved projects ($2,103,221).

[2] The following adjustments on 1962 pledges were recorded during the month of November 1962:

| | |
|---|---|
| Sierra Leone (new pledge) | $10,000 |
| United States of America: | |
| (i) Matching of above pledge | 6,667 |
| (ii) Matching of local costs receipts | 144,442 |
| Total | 161,109 |

OTHER U.N. TECHNICAL ASSISTANCE TO CUBA

Cuba has been receiving assistance from the U.N. Expanded Program of Technical Assistance since 1950. In 1961–62 financial period, Cuba was programed to receive $445,883 consisting of 10 projects carried out by the U.N. Food and Agriculture Organization, the International Labor Organization, United Nations Educational, Scientific, and Cultural Organization, and the World Health Organization. Under the 1963–64 program approved last November by the Technical Assistance Committee of the Economic and Social Council, Cuba received approval for projects totaling $405,780. The program consists of an ILO social security project, $69,000; FAO fisheries project, $160,000; UNESCO marine biological project, $54,000; UNESCO educational service, $13,500; ICAO civil aviation project, $17,280; WHO public health service, $152,000.

## WASHINGTON "CON" MEN

Mr. MATHIAS. 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 Maryland?

There was no objection.

Mr. MATHIAS. Mr. Speaker, the Attorney General is ignoring a confidence game being played in Washington and so we must warn the public about it. The object of the game is to use the people's money to bamboozle them on a national scale. The scheme is simple. An administration tipster calls a political favorite who has played no prior part and breaks the news of the award of a Government contract in his State. The favorite then calls the news media at home and releases the glad tidings with at least the implication that he is making a personal benefaction to his constituents.

Honest citizens who are familiar with complex Government procurement procedures are not impressed. Reporters, editors, and newscasters are not fooled by this hocus-pocus. Let us hope that they will expose it for the deception that it is.

## AMERICAN LUMBER INDUSTRY

Mr. HORAN. 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 Washington?

There was no objection.

Mr. HORAN. Mr. Speaker, later on this afternoon, I plan to participate in a discussion of the economic decline of one of America's great industries, the lumber industry. My colleague, the gentleman from California [Mr. JOHNSON], has obtained 1 hour, and I along with others, plan to participate with him in making this hour fully descriptive of the present condition of the softwood lumber industry in the United States. It is sick. In addition to the resolution which we will discuss and which I have just introduced this afternoon, I have also introduced today three other measures dealing with the lumber problem.

The first of these three would amend the National Housing Act to provide that only lumber and other wood products which have been produced in the United States may be used in construction or rehabilitation covered by Federal Housing Administration insured mortgages. I believe that the gentleman from Alabama [Mr. RAINS], has introduced this measure and is the author.

The second measure would amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773; 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act. The gentlewoman from Washington [Mrs. HANSEN] is the author of this measure.

In addition, last week I introduced a bill which would exclude cargo which is lumber from certain tariff filing requirements under the Shipping Act of 1916. This bill has already been introduced by the gentleman from Washington [Mr. TOLLEFSON].

## SOFTWOOD LUMBER IMPORTS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Arizona [Mr. SENNER] may extend his remarks at this point.

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

There was no objection.

Mr. SENNER. Mr. Speaker, the future of approximately 4,000 working men and women who represent an annual payroll of some $16 million in my district alone, has been seriously endangered by the U.S. Tariff Commission's recent decision rejecting a tariff increase on softwood lumber imports.

I fully recognize that the Commission was committed in advance to its decision by the Trade Expansion Act of 1962, but this in no way lessens the serious blow that a vital industry and its employees have suffered and will continue to suffer unless immediate remedial action is taken.

The deadly seriousness of the situation is very real and apparent. I am, therefore, particularly hopeful that this Congress will quickly approve the House joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber for the period of 3 years.

Mr. Speaker, the Third Congressional District of Arizona, which I am privileged to represent in this distinguished body, relies heavily on its forest industries. Any negative impact thereon might well prove disastrous.

On a broader scale, I am informed that in 1961 some 117,000 Americans were thrown out of work by the Canadian lumber imports.

How has this situation come to pass? Has the lumber industry, which is the fourth largest employer of manufacturing labor in the United States, created its own pitfalls? Mr. Speaker, I submit that such is not the case. The Tariff Commission's investigation revealed these contributory factors:

First. The cost-price squeeze between the rising price of lumber and the even more rapidly rising price of timber and purchased logs, brought on by the limited availability of softwood timber in the United States.

Second. Timber management policies of Government agencies which limit the commercial availability of mature sawtimber.

Third. The depreciation of the Canadian dollar which, in terms of U.S. dollars, gave Canadian lumber an advantage of approximately $7 per 1,000 board feet.

Fourth. Since 1957, the charter rate for waterborne shipments from British Columbia to Eastern United States has given Canadian lumber a favorable differential of $12 per 1,000 board feet, again because of governmental regulations and discrimination against U.S. shippers.

Fifth. Canadian railroads are granting Canadian shippers freehold privileges that give them more time to find buyers for lumber after the shipments have been accepted than is enjoyed by shippers in the United States.

In short, the industry is being strangled by circumstances not of its own making. We cannot avoid the stark fact that it is being harassed by its own Government. This is an intolerable situation that must be alleviated.

Conscience further dictates that we closely examine another governmental inconsistency that can only be untangled by adoption of the attendant House joint resolution.

Within Arizona lies the major portion of the Navajo Indian Reservation where the tribe operates two sawmills backed by a standing sawtimber volume of some 2 billion board feet. On the one hand, the Government is severely restricting this potential source of badly needed revenue with its trade policies, yet on the other it certifies the reservation as a depressed area. Strange reasoning indeed.

Mr. Speaker, this is not a problem that concerns my district alone, nor the Western United States alone. It affects every corner of America and every Member of this House.

## POLITICAL BARREL SCRAPING

Mr. GROSS. 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 Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, if press reports can be accepted as correct, and they usually are, the Kennedy administration is really about to scrape the bottom of the political patronage barrel. According to Mr. Joe Young, in last night's Washington Star, high school students and college students who get a few weeks of summer employment are going to have to pass political scrutiny by the White House.

No longer, apparently, does the Kennedy political hierarchy trust its lieutenants in the various agencies, as has been the story in the past, to pass upon the employment of high school students and others who are needed to do typing and other temporary work in the summer in the Federal Government; now they must pass in parade and stand political inspection under the scrutiny of the White House.

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

Mr. GROSS. In yielding, let me compliment the gentleman from Oklahoma as a spokesman for the administration.

Mr. ALBERT. I appreciate the compliment, but may I remind the gentleman that he joined a number of others in criticizing the manner in which these jobs have been handed out in previous years.

Mr. GROSS. I do not recall that the gentleman from Iowa asked to have inserted in the bill, designed to provide temporary employment for more people from other areas, any provision that the President should scrutinize politically every high school boy and girl who is employed.

If the President is going to scrutinize all the youngsters in Washington this summer who take vacation jobs, he is going to have to spend more weekends in Washington instead of at Palm Beach or aboard his various yachts.

Mr. ALBERT. I think the matter will be handled very well.

Mr. GROSS. And I am not about to concede to the White House the authority to pass on every high school student who takes a job in Washington.

Mr. Speaker, under leave to extend my remarks, I will insert in the RECORD at this point the article in the Washington Evening Star of February 20, 1963, and an editorial on this subject from the same newspaper as issued today, February 21:

WHITE HOUSE TO CONTROL STUDENT JOB PATRONAGE—CIVIL SERVICE NOT TOLD OF MEETING WHICH SET UP CLEARANCE SYSTEM

(By Joseph Young)

The White House has taken control over the patronage of the more than 10,000 student summer jobs in Government.

At a White House meeting last week, which was held without the knowledge of the Civil Service Commission, some of President Kennedy's aids met with the political appointees

of various agencies who are involved in patronage work.

A clearance system was set up whereby the names of all students who have filed applications for summer employment in Government agencies will be sent to the White House.

The State from which the student hails, plus the college he is attending (if any), will be included in the information sent to the White House.

WASHINGTON JOBS

The jobs mainly are in Washington and last from June through August.

Mrs. Dorothy Davies, a White House staff assistant, who was in charge of the meeting, said the purpose of the new system was to assure coordination in order that the agencies could make best use of the students talent.

Mrs. Davies did not deny that political patronage is one of the aims of the White House clearance system, but declared that the Kennedy administration's primary concern is that the student talent be put to the best use possible and groomed for regular Federal employment when they graduate.

Civil Service Commission officials have privately expressed dismay at the latest turn of events.

While there has always been quite a bit of personal patronage involved in summer Government jobs, applicants have had to pass civil service exams for clerical, typists, and stenographer jobs. And in the case of student trainee jobs, in which college students take Federal summer employment in connection with what the Government hopes will be their Federal professions after graduation, they are selected from civil service registers.

TOP YOUTHS CERTIFIED

The feeling among Government career personnel officers is that it is wrong to play politics where young people are concerned, particularly among college students who are the Government's hope for the future as far as filling key career jobs are concerned.

It's no secret that a goodly portion of the summer student jobs are filled on a personal patronage basis each year. Government officials—political and career—have hired their own sons and daughters as well as the children of friends or Members of Congress. However, the CSC has been careful to certify only the top qualifiers on the student trainee exam.

The White House job clearance system may be an effort to channel these jobs in a more political patronage area, whereby more sons and daughters of Democratic Members of Congress and key Democratic supporters and contributors may get summer jobs in Government.

Congress has shown increased interest in these summer jobs. Last year the House approved a bill to apportion these jobs on a State-by-State basis. This would have the effect of giving most of these jobs to students outside of the Washington area. However, the Senate failed to act on the bill before adjournment.

This year a half dozen bills have been introduced in Congress to achieve the same objective.

In discussing the White House job clearance system, Miss Davies said it was a move to channel the best possible talent to the places in Government where it could be used most effectively.

She said that, for example, if an agency finds that its summer job vacancies are all filled up, a place for a bright student could be found in another Government agency through a coordinated placement system set up in the White House.

Miss Davies refused to answer directly whether the program also involved political patronage, other than saying that there always has been some patronage in summer student jobs in Government.

Presumably, students still will have to pass an exam to get the summer jobs.

Last year's Government summer job program for students was given great emphasis by the administration, with President Kennedy and other top Government officials addressing the students.

---

PATRONAGE AT A PRICE

"The Democratic administration will establish and enforce a code of ethics to maintain the full dignity and integrity of the Federal service and to make it more attractive to the ablest men and women"—1960 Democratic platform.

Now, the above is a passel of mighty pretty words which, canned in July 1960, may become downright indigestible in July 1963. That's the time of year when Washington is invaded by all those bright young students who spend the summer picking up a few bucks working for, and learning about, their Government.

This summer, Federal Columnist Joe Young tells us, they are going to learn more than they bargained for. They are going to be indoctrinated into the political-boss system, known otherwise simply as patronage. And their lessons are coming from the very Olympia of plum dispensaries, the White House.

Somebody there, we are told, is going to save the Civil Service Commission the trouble of deciding what students will work where. Being set up at the White House level is a sort of super employment service, unhampered by rules and regulations, to which agency personnel officials have been told they should channel all job applications. Avowedly, this system will guarantee that the talents of each applicant will be used to best advantage. But it doesn't take a political genius to perceive that the talents of a worthy Democrat's son may just happen to be more worthy than those of a misguided outsider.

No exception in the White House lottery is planned for a select group of students trainees who expect to make Government their careers. These are the young men and women the Government hopes to attract "to maintain the full dignity and integrity of the Federal service." But it wouldn't be too surprising if the trainees, after learning the true facts of political life, packed up their shattered ideals and departed forever.

---

## AID FOR ELDERLY CITIZENS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 72)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed:

*To the Congress of the United States:*

On the basis of his study of the world's great civilizations, the historian Toynbee concluded that a society's quality and durability can best be measured "by the respect and care given its elderly citizens." Never before in our history have we ever had so many "senior citizens." There are present today in our population 17½ million people aged 65 years or over—nearly one-tenth of our population—and their number increases by 1,000 every day. By 1980, they will number nearly 25 million. Today there are already 25 million people aged 60 and over—nearly 6 million aged 75 and over—and more than 10,000 over the age of 100.

These figures reflect a profound change in the composition of our population. In 1900, average life expectancy at birth was 49 years. Today more than 7 out of 10 newborn babies can expect to reach age 65. Life expectancy at birth now averages 70 years. Women 65 years old can now expect to live 16 more years, and men 65 years old can expect to live 13 additional years. While our population has increased 2½ times since 1900, the number of those aged 65 and over has increased almost sixfold.

This increase in the lifespan and in the number of our senior citizens presents this Nation with increased opportunities: the opportunity to draw upon their skill and sagacity—and the opportunity to provide the respect and recognition they have earned. It is not enough for a great nation merely to have added new years to life—our objective must also be to add new life to those years.

In the last three decades, this Nation has made considerable progress in assuring our older citizens the security and dignity a lifetime of labor deserves. But "the last of life, for which the first was made" is still not a "golden age" for all our citizens. Too often, these years are filled with anxiety, illness, and even want. The basic statistics on income, housing, and health are both revealing and disturbing:

The average annual income received by aged couples is half that of younger two-person families. Almost half of those over 65 living alone receive $1,000 or less a year, and three-fourths receive less than $2,000 a year. About half the spending units headed by persons over 65 have liquid assets of less than $1,000. Two-fifths have a total net worth, including their home, of less than $5,000. The main source of income for the great majority of those above 65 is one or more public benefit programs. Seven out of ten—12.5 million persons—now receive social security insurance payments, averaging about $76 a month for a retired worker, $66 for a widow, and $129 for an aged worker and wife. One out of eight—2¼ million people—are on public assistance, averaging about $60 per month per person, supplemented by medical care payments averaging about $15 a month.

A far greater proportion of senior citizens live in inferior housing than is true of the houses occupied by younger citizens. According to the 1960 census, one-fourth of those aged 60 and over did not have households of their own but lived in the houses of relatives, in lodging houses, or in institutions. Of the remainder, over 30 percent lived in substandard housing which lacked a private bath, toilet, or running hot water or was otherwise dilapidated or deficient, and many others lived in housing unsuitable or unsafe for elderly people.

For roughly four-fifths of those older citizens not living on the farm, housing is a major expense, taking more than one-third of their income. About two-thirds of all those 65 and over own their own homes—but, while such homes are generally free from mortgage, their value is generally less than $10,000.

Our senior citizens are sick more frequently and for more prolonged periods

than the rest of the population. Of every 100 persons age 65 or over, 80 suffer some kind of chronic ailment; 28 have heart disease or high blood pressure; 27 have arthritis or rheumatism; 10 have impaired vision; and 17 have hearing impairments. Sixteen are hospitalized one or more times annually. They require three times as many days of hospital care every year as persons under the age of 65. Yet only half of those age 65 and over have any kind of health insurance; only one-third of those with incomes under $2,000 a year have such insurance; only one-third of those age 75 and over have such insurance; and it has been estimated that 10 to 15 percent of the health costs of older people are reimbursed by insurance.

These and other sobering statistics make us realize that our remarkable scientific achievements prolonging the lifespan have not yet been translated into effective human achievements. Our urbanized and industrialized way of life has destroyed the useful and satisfying roles which the aged played in the rural and small town family society of an earlier era. The skills and talents of our older people are now all too often discarded.

Place and participation, health and honor, cannot, of course, be legislated. But legislation and sensible, coordinated action can enhance the opportunities for the aged. Isolation and misery can be prevented or reduced. We can provide the opportunity and the means for proper food, clothing, and housing—for productive employment or voluntary service—for protection against the devastating financial blows of sudden and catastrophic illness. Society, in short, can and must catch up with science.

All levels of government have the responsibility, in cooperation with private organizations and individuals, to act vigorously to improve the lot of our aged. Public efforts will have to be undertaken primarily by the local communities and by the States. But because these problems are nationwide, they call for Federal action as well.

RECENT FEDERAL ACTION

In approaching this task, it is important to recognize that we are not starting anew but building on a foundation already well laid over the last 30 years. Indeed, in the last 2 years alone, major strides have been made in improving Federal benefits and services for the aged:

1. The Social Security Amendments of 1961, which increased benefits by $900 million a year, substantially strengthened social insurance for retired and disabled workers and to widows, and enabled men to retire on social security at age 62. Legislation in 1961 also increased Federal support for old-age assistance, including medical vendor payments.

2. The Community Health Services and Facilities Act of 1961 authorized new programs for out-of-hospital community services for the chronically ill and the aged, and increased Federal grants for nursing home construction, health research facilities, and experimental hospital and medical care facilities. Such programs are now underway in 48 States.

3. The Public Welfare Amendments of 1962 authorized a substantial increase in Federal funds for old-age assistance, reemphasized restorative services to return individuals to self-support and self-care, and provided encouragement for employment by permitting States to allow old-age assistance recipients to keep up to $30 of his first $50 of monthly earnings without corresponding reductions in his public assistance payments.

4. The Housing Act of 1961 included provisions for the rapid expansion of housing for our elderly through public housing, direct loans, and FHA mortgage insurance. Commitments in 1961 and 1962 were made for more than 1½ times the number of housing units for older citizens aided in the preceding 5 years.

5. The Senior Citizens Housing Act of 1962 provided low-interest, long-term loans and loan insurance to enable rural residents over 62, on farms and in small towns, to obtain or rent new homes or modernize old ones.

6. The new Institute of Child Health and Human Development, which was authorized last year, is expanding programs of research on health problems of the aging.

7. Other new legislation added safeguards on the purchase of drugs which are so essential to older citizens—boosted railroad retirement and veterans benefits—helped protect private pension funds against abuse—and increased recreational opportunities for all.

8. By administrative action we have (a) increased the quality and quantity of food available to those on welfare and other low income aged persons and (b) established new organizational entities to meet the needs and coordinate the services affecting older people: a new Gerontology Branch in the Chronic Disease Division of the Public Health Service, the first operating program geared exclusively to meeting health needs of the aging and giving particular emphasis to the application of medical rehabilitation to reduce or eliminate the disabling effects of chronic illnesses (such as stroke, arthritis, and many forms of cancer and health disease) which cannot yet be prevented; and a new President's Council on Aging, whose members are the Secretaries and heads of eight Cabinet departments and independent agencies administering in 1964 some $18 billion worth of benefits to people over 65.

These and other actions have accelerated the flow of Federal assistance to the aged; and made a major start toward eliminating the gripping fear of economic insecurity. But their numbers are large and their needs are great and much more remains to be done.

I. HEALTH

1. Hospital insurance: Medical science has done much to ease the pain and suffering of serious illness; and it has helped to add more than 20 years to the average length of life since 1900. The wonders worked in a modern American hospital hold out new hopes for our senior citizens. But, unfortunately, the cost of hospital care—now averaging more than $35 a day, nearly four times as high as in 1946—has risen much faster than the retired worker's ability to pay for that care.

Illness strikes most often and with its greatest severity at the time in life when incomes are most limited; and millions of our older citizens cannot afford $35 a day in hospital costs. Half of the retired have almost no income other than their social security payments—averaging $70 a month per person—and they have little in the way of savings. One-third of the aged family units have less than $100 in liquid assets. One short hospital stay may be manageable for many older persons with the help of family and savings; but the second—and the average person can expect two or three hospital stays after age 65—may well mean destitution, public or private charity, or the alternative of suffering in silence. For these citizens, the miracles of medical science mean little.

A proud and resourceful nation can no longer ask its older people to live in constant fear of a serious illness for which adequate funds are not available. We owe them the right of dignity in sickness as well as in health. We can achieve this by adding health insurance—primarily hospitalization insurance—to our successful social security system.

Hospital insurance for our older citizens on social security offers a reasonable and practical solution to a critical problem. It is the logical extension of a principle established 28 years ago in the social security system and confirmed many times since by both Congress and the American voters. It is based on the fundamental premise that contributions during the working years, matched by employers' contributions, should enable people to prepay and build earned rights and benefits to safeguard them in their old age.

There are some who say the problem can best be solved through private health insurance. But this is not the answer for most; for it overlooks the high cost of adequate health insurance and the low incomes of our aged. The average retired couple lives on $50 a week, and the average aged single person lives on $20 a week. These are far below the amounts needed for a modest but adequate standard of living, according to all measures. The cost of broad health insurance coverage for an aged couple, when such coverage is available, is more than $400 a year—about one-sixth of the total income of an average older couple.

As a result, of the total aged population discharged from hospitals, 49 percent have no hospital insurance at all and only 30 percent have as much as three-fourths of their bills paid by insurance plans. (Comparable data for those under 65 showed that only 30 percent lacked hospital insurance, and that 54 percent had three-fourths or more of their bills paid by insurance). Prepayment of hospital costs for old age by contributions during the working years is obviously necessary.

Others say that the children of aged parents should be willing to pay their

bills; and I have no doubt that most children are willing to sacrifice to aid their parents. But aged parents often choose to suffer from severe illness rather than see their children and grandchildren undergo financial hardship. Hospital insurance under social security would make it unnecessary for families to face such choices—just as old-age benefits under social security have relieved large numbers of families of the need to choose between the welfare of their parents and the best interests of their children.

Others may say that public assistance or welfare medical assistance for the aged will meet the problem. The welfare medical assistance program adopted in 1960 now operates in 25 States and will provide benefits in 1964 to about 525,000 persons. But this is only a small percentage of those aged individuals who need medical care. Of the 111,700 persons who received medical assistance for the aged in November, more than 70,000 were in only 3 States: California, Massachusetts, and New York.

Moreover, 25 States have not adopted such a program, which is dependent upon the availability each year of State appropriations, upon the financial condition of the States, and upon competition with many other calls on State resources. As a result, coverage and quality vary from State to State. Surely it would be far better and fairer to provide a universal approach, through social insurance, instead of a needs test program which does not prevent indigency, but operates only after indigency is created. In other words, welfare medical assistance helps older people get health care only if they first accept poverty and then accept charity.

Let me make clear my belief that public assistance grants for medical care would still be necessary to supplement the proposed basic hospitalization program under social security—just as old-age assistance has supplemented old-age and survivors insurance. But it should be regarded as a second line of defense. Our major reliance must be to provide funds for hospital care of our aged through social insurance, supplemented to the extent possible by private insurance.

The hospital insurance program achieves two basic objectives. First, it protects against the principal component of the cost of a serious illness. Second, it furnishes a foundation upon which supplementary, private programs can and will be built. Together with retirement, disability, and survivors insurance benefits, it will help eliminate privation and insecurity in this country.

For these reasons, I recommend a hospital insurance program for senior citizens under the social security system which would pay (1) all costs of inpatient hospital services for up to 90 days, with the patient paying $10 a day for the first 9 days and at least $20, or, for those individuals who so elect, all such costs for up to 180 days with the patient paying the first 2½ days of average costs, or all such costs for up to 45 days; (2) all costs of care in skilled nursing home facilities affiliated with hospitals for up to at least 180 days after transfer of the patient from a hospital; (3) all costs above the first $20 for hospital out-patient diagnostic services; and (4) all costs of up to 240 home health-care visits in any one calendar year by community visiting nurses and physical therapists. Under this plan, the individual will have the option of selecting the kind of insurance protection that will be most consistent with his economic resources and his prospective health needs—45 days with no deductible, 90 days with a maximum $90 deductible, or 180 days paying a "deductible" equal to 2½ days of average hospital costs. This new element of freedom of choice is a major improvement over bills previously submitted.

These benefits would be available to all aged social security and railroad retirement beneficiaries, with the costs paid from new social insurance funds provided by adding one-quarter of 1 percent to the payroll contributions made by both employers and employees and by increasing the annual earnings base from $4,800 to $5,200.

Hospitals, skilled nursing facilities, and community health-service organizations would be paid for the reasonable costs of the services they furnished. There would be little difference between the procedures under the proposed program and those already set up and accepted by hospitals in connection with Blue Cross programs.

Procedures would be developed, utilizing professional organizations and State agencies, for accrediting hospitals and for assisting nonaccredited hospitals and nursing facilities to become eligible to participate.

I also recommend a transition provision under which the benefits would be given to those over 65 today who have not had an opportunity to participate in the social security program. The cost of providing these benefits would be paid from general tax revenues. The provision would be transitional inasmuch as 9 out of 10 persons reaching the age of 65 today have social security coverage.

The program I propose would pay the costs of hospital and related services but it would not interfere with the way treatment is provided. It would not hinder in any way the freedom of choice of doctor, hospital, or nurse. It would not specify in any way the kind of medical or health care or treatment to be provided by the doctor.

Health insurance for our senior citizens is the most important health proposal pending before the Congress. We urgently need this legislation—and we need it now. This is our No. 1 objective for our senior citizens.

2. Improvements in medical care provisions under public assistance: The public assistance medical aid program should, as I have said, serve as a supplement to health insurance. I have asked the Department of Health, Education, and Welfare to continue its efforts to encourage those States that have not already established programs for the medically indigent aged to do so promptly. I also urge those States which now have incomplete programs to expand them to give the medically needy aged all the help they need.

In addition, the basic welfare law authorizing medical care for those on old-age assistance should now be strengthened:

(a) First, in a few States—six at this time—the scope of medical care available to the neediest group of aged persons, those on old-age assistance, is more limited than that which is available to the new category established by the Kerr-Mills Act: the "medically indigent," those aged persons who only require assistance in meeting their medical care costs. This is unfair. Accordingly, I recommend that Federal law require the States to provide medical protection for their aged receiving old-age assistance at least equal to that provided to those who are only medically indigent.

(b) Secondly, under present law, Federal old-age assistance grants may be used by a State to provide medical care in a general hospital only up to 42 days for a person suffering from mental illness or tuberculosis. This forces transfer of individuals who need hospitalization for longer periods to State institutions, normally outside the community. In my recent message on mental illness and mental retardation, I proposed that mentally ill and mentally retarded persons should, insofar as possible, receive care in community hospitals and facilities—where their prospects for treatment and restoration to useful life are far better than in the often obsolete, custodial State institutions. Accordingly, in order to help improve the States' financial capacity to provide these aged with care in their own communities for longer periods, I recommended that the 42-day limitation be eliminated.

3. Nursing homes: As a larger proportion of our growing aged population reaches advanced ages, the need for long-term care facilities is rapidly rising. The present backlog of need is staggering. Enactment of the hospital insurance bill will increase that need still further. In my message on improving American health, I recommended—and again urge—amendment of the Hill-Burton Act to increase the appropriation authorization for high-quality nursing homes from $20 to $50 million.

4. Other important health legislation: We not only need a better way for the aged to pay for their health costs; we also need more physicians, dentists, and nurses, and more modern hospitals as well as nursing homes—so that our senior citizens, and all our people, can continue to have the best medical care in the world. Older people need and use more medical facilities and services than any other age group. For that reason, I again urge enactment of previously recommended legislation authorizing (1) Federal matching funds for the construction of new and the expansion of rehabilitation of existing teaching facilities for the medical, dental, and other health professions, (2) Federal financial assistance for students of medicine, dentistry, and osteopathy, (3) revision of the Hill-Burton hospital construction program to enable hospitals to modernize and rehabilitate their facilities, and (4) Federal legislation to help finance the cost of constructing and equipping group practice medical and dental facilities.

5. Food and drug protection for the elderly: Measures which safeguard consumers against both actual danger and monetary loss resulting from frauds in sales of unnecessary or worthless dietary preparations, devices, and nostrums are especially important to the elderly. It has been estimated that consumers waste $500 million a year on medical quackery and another $500 million annually on some "health foods" which have no beneficial effect. The health of the aged is in jeopardy from harmful and useless products and they are unable to bear the financial loss from worthless products.

Unnecessary deaths, injuries, and financial loss to our senior citizens can be expected to continue until the law requires adequate testing for safety and efficacy of products and devices before they are made available to consumers. I therefore again urge that the Congress extend the provisions of the Food, Drug, and Cosmetic Act of 1938 to include testing of the safety and effectiveness of therapeutic devices, to extend existing requirements for label warnings to include household articles which are subject to the Food, Drug, and Cosmetic Act, and to extend adequate factory inspection to foods, over-the-counter drugs, devices, and cosmetics.

Recent hearings conducted by Senator McNAMARA and his Special Committee on Aging have highlighted certain commercial practices of a small portion of industry which sold worthless and ineffective merchandise to all segments of our society, and particularly to the aged. This is an abuse of the public trust. Consequently, the Secretary of Health, Education, and Welfare will take necessary steps to expand measures to supply consumers, and particularly aged consumers, with information which will enable them to make more informed choices in purchasing foods and drugs.

II. TAX BENEFITS

The tax program I recently submitted to the Congress will, by calendar year 1965, reduce Federal income tax liabilities for an estimated 3.4 million persons aged 65 and over by $790 million. An estimated $470 million of this reduction will arise from the general rate reductions and certain other provisions affecting the aged. The other $320 million reduction results from the replacement of the present complicated retirement income credit and extra exemption with a flat $300 tax credit.

These changes simplify and equalize the tax provisions for the aged, increase incentives for employment, assist those who need help most, and give relief in meeting medical and drug costs. Under current law, many inequities exist in the manner in which different groups of our older citizens are treated. For example, because wage income is taxed more heavily than pensions or other retirement income, employment is discouraged. The retirement income credit for the aged is one of the most complicated sections of the entire Internal Revenue Code.

I have recommended the substitution of a $300 tax credit for each person over age 65 in place of the extra exemption and retirement income credit. In addition, the limits on medical expense deductions would be eliminated and the present provision which limits deductible drug costs to those in excess of 1 percent of income repealed.

These proposals would benefit older taxpayers who are employed by greatly reducing the unfairness in taxation of income from different sources. At present, for instance, a couple 65 or over with an income of $5,000 using the standard deduction would pay a tax of $420 if their income was in salaries or wages, but only $31 if the $5,000 was made up of $1,200 from earnings, $1,800 from social security, and $2,000 from a private pension. Under my proposals, in neither case would the couple pay any tax whatsoever.

Furthermore, at present the maximum retirement income, on which the retirement income credit is based, must be reduced by the full amount of social security benefits. Under the new proposal, the $300 credit would also be reduced to take account of social security, but only half of the amount of such benefits would be used in calculating the reduction. Social security, railroad retirement, and other tax-free pensions would remain tax free.

These changes are of particular benefit to elderly persons in the low- and middle-income brackets. At present, an elderly person can be taxed if his income exceeds as little as $1,333. The new tax proposals raise this level so that no single person 65 or over would pay tax until his income exceeds $2,900. An elderly couple would pay taxes only on income over $5,788, as opposed to the current $2,667. These increases in exemption of income, combined with the lower rates now proposed, save as much as $284 in reduced taxes for a single person and as much as $560 for a couple.

Roughly half of the $320 million reduction in taxes paid by older persons which would be made possible by the new $300 credit would go to those with incomes below $5,000. Ninety-seven percent would go to those with incomes of less than $10,000. Of the total $790 million tax benefit which will accrue to the aged as a result of all tax recommendations, both reductions and reforms, approximately 90 percent will go to those three out of every four elderly taxpayers who receive income from employment or self-employment. I again urge that the Congress give favorable consideration to these tax provisions benefiting our aged citizens.

III. ECONOMIC SECURITY

1. Improvements in social security insurance: The OASDI system is the basic income maintenance program for our older people. It serves a vital purpose. But it must be kept up to date.

My recommendation for financing hospital insurance under social security—by increasing the maximum taxable wage base, on which benefits are computed, from $4,800 to $5,200 a year—will automatically provide an improvement in future OASDI cash benefits for millions of workers, raising the ultimate maximum monthly benefits payable to a worker from $127 to $134, and for a family from $254 to $268.

For the average regularly employed man the social security wage base has become a smaller and smaller portion of his earnings, and his insurance against the loss of employment income upon retirement, death, or disability is thus declining steadily. Today only 39 percent of all regularly employed men have all of their earnings counted under the $4,800 ceiling. It is generally agreed that the earnings base needs to be adjusted from time to time as earnings levels rise, and the Congress has done so in the past. Raising the wage base to $5,200 will still only cover the total wages of about 50 percent of regularly employed men. This increase in the social security wage base is sound, beneficial, and necessary.

The entire relationship between benefits and wages, however, needs to be reexamined. As required by the Social Security Act, the Secretary of Health, Education, and Welfare will soon appoint an Advisory Council on Social Security Financing. I am directing him to charge this Council with the obligation to review the status of the social security trust funds in relation to the long-term commitments of the social security program, and to study and report on extensions of protection and coverage at all levels of earnings, the adequacy of benefits, the desirability of improving the present retirement test, and other related aspects of the social security system. The results of the Council's work should provide a sound basis for continued improvement of the program, keeping it abreast of changes in the economy.

2. Improvements in old-age assistance: In the fiscal year 1964 the Federal Government will provide grants to the States of about $1.5 billion under the old-age assistance program. I recommend three improvements in the equity and effectiveness of this program, in addition to the two medical payments changes previously mentioned:

First, under existing Federal law, States are permitted to require up to 5 years' residence for eligibility under the old-age assistance program. Currently, 20 States impose the maximum 5-year requirement, 3 States require fewer than 5 years but more than 1, and the remaining States require 1 year or less.

Lengthy residence requirements are an unnecessary restriction on elderly people receiving public assistance who would like to move to another State to be near a child or other relative. Others in need, not previously receiving such assistance, find themselves in a "no-man's land," with no aid at all and no place to turn because they have not lived long enough in the State of their present residence. To insure that our Federal-State public assistance program can help all of our needy aged, I recommend that the maximum period of residence which may be required for eligibility be gradually reduced to 1 year by 1970. This change does not represent an expansion of the program or a significant cost to the Federal Government or any individual State; and it will simplify administration by eliminating many detailed investigations of residence.

Second, a problem of increasing proportions found among our needy citizens

is the difficulty some have in properly handling the money which they receive from a public welfare agency. Of the more than 2 million recipients of old-age assistance, over half are 75 years or older, 1 in 3 is 80 or more, and 1 in 8 is over 85. One-third are confined to their homes or require help from others because of physical or mental disability and almost 9 percent are in nursing homes and other institutions. Among this group some lose their assistance payments through forgetfulness; others are defrauded by unscrupulous persons. Obviously many of these aged beneficiaries who are not in need of legal guardians, should nevertheless have help in handling their money; yet current provisions of the Federal law tend to make it difficult for States to provide necessary protective services.

I, therefore, recommend that the old-age assistance program be modified to permit Federal participation in protective payments made to a third party in behalf of needy aged individuals. This would be comparable to provisions adopted last year for dependent children.

Third, many of our older people, with very limited income, live in rental housing which falls far short of any reasonable standard of health or safety. As mentioned earlier, among households headed by a person 65 years of age or over who live in rented housing, nearly 40 percent are in quarters classified as substandard. Yet they are frequently charged exorbitant rents for this housing.

It is estimated that old-age assistance payments presently going into payments of rent equal some half a billion dollars a year—a fourth of the $2 billion total that is expended in Federal, State, and local funds for all old-age assistance. These funds should not subsidize substandard housing. The establishment of State rental housing standards is long overdue. I therefore recommend that, as a condition for receiving Federal grants for old-age assistance, a State's plan must establish and maintain standards of health and safety for housing rented to recipients of old-age assistance. There is a precedent for such a plan requirement in the 1950 legislation which required the establishment of similar standards for institutions.

IV. EMPLOYMENT OPPORTUNITIES

The Nation's economic development, coupled with the growth of its social insurance and private pension plans, has brought to our aged deserved opportunities for leisure and retirement. While the number of persons 65 and over has almost doubled since 1940, only 13 percent are now in the labor force—half the 1940 percentage.

Retirement, however, should be through choice, not through compulsion due to the lack of employment opportunities. For many of our aged, social security and retirement benefits are not a satisfactory substitute for a paycheck. Many of those who are able to work need to work and want to work. But, often knowingly and sometimes unwittingly, industrialization and related social and economic trends have progressively limited the possibilities for gainful employment for many of our older citizens. The gradual decline in agricultural employment, for example, has reduced the traditional job opportunities which farming once provided for older persons. Employment in the expanding sectors of our economy is too often attended by compulsory retirement programs or by age discrimination practices. Older workers, if not protected by seniority, are among the first to be laid off—and men 65 and older are twice as likely to remain unemployed for 26 weeks or more as are other unemployed workers.

Denial of employment opportunity to older persons is a personal tragedy. It is also a national extravagance, wasteful of human resources. No economy can reach its maximum productivity while failing to use the skills, talents, and experience of willing workers.

Rules of employment that are based on the calendar rather than upon ability are not good rules, nor are they realistic. Studies of the Department of Labor show that large numbers of older workers can exceed the average performance of younger workers, and with added steadiness, loyalty, and dependability.

In the Federal Government a number of steps are being taken to facilitate employment opportunities for older workers.

I am directing each agency to honor fully both the spirit and the letter of official Federal policy to evaluate each older applicant or employee on the basis of ability, not age. I am asking all Federal agencies to review their current policies and practices in order to insure that full consideration is given to the skills and experience of older workers. I urge all employers, private and public, to adopt a similar policy.

I have recommended that Congress increase the funds for the Federal-State Employment Service so that the strengthening and expansion of its counseling and placement services, started in the first year of this administration, may be continued. The public employment offices will continue to give special attention to promoting employment and employment prospects for older workers.

I have also recommended a substantial expansion in funds for the training programs under the Manpower Development and Training Act and the Area Redevelopment Act—both enacted within the past 2 years. The Secretary of Labor will launch this year a series of experimental and demonstration programs designed to assist older workers to make the best possible use of training opportunities in their communities and to test new classroom and counseling techniques.

These efforts are only a bare beginning. Our Nation must undertake an imaginative and far-reaching effort—in both the public and private sectors of our society—for the development of new approaches and new paths to the employment of older citizens. This will require a sharp new look at retirement and personnel patterns, part-time work opportunities, restrictive pension plans, possible incentives to employers and a host of other traditional or future practices. To give impetus to this nationwide reappraisal, I propose two immediate actions.

First, I recommend legislation to establish a new 5-year program of grants for experimental and demonstration projects to stimulate needed employment opportunities for our aged. The Federal Government through the Department of Labor would provide up to $10 million per year on a matching basis to State and local governments or approved nonprofit institutions for experiments in the use of elderly persons in providing needed services. They would be employed in such activities as school lunch hour relief, child care in centers for working mothers, home care for invalids, and assistance in schools, vocational training, and programs to prevent juvenile delinquency. Precautions would be taken to insure that no project would result in any displacement of present employees and that wages would be reasonably consistent with those for comparable work in the locality.

Second, I have directed the President's Council on Aging, in consultation with private organizations and citizens, to undertake a searching reappraisal of problems of employment opportunities for the aged and to report to me by October 31, 1963, on what action is desirable and necessary.

In addition, voluntary service by older persons can both demonstrate their continued skill and provide useful activity for those retired from gainful employment but anxious to make use of their talents. Enactment of the National Service Corps recommended last week is urged again as a constructive opportunity for senior citizens to serve their local communities.

This program would provide an ideal outlet for those whose energy, idealism, and ability did not suddenly end in retirement. In the labor force in 1960, there were more than 6½ million men and women 60 years of age or older. They included: 126,000 public schoolteachers, 25,000 lawyers, 3,000 dietitians, and nutritionists, 18,000 college faculty members, 12,000 social welfare and recreation workers, 11,000 librarians, 32,000 physicians and surgeons, and 43,000 professional nurses. Many of these people have now retired. Others are ready to retire or would retire if they saw further useful career activity ahead.

The Peace Corps, which has no upper age limit, has already drawn upon this reservoir of talent—and corpsmen in their sixties and seventies are today serving with distinction in Africa, Asia, and South America. More are needed. The proposed National Service Corps can also use retired men and women to good advantage. Retired teachers, for example, have the freedom which would enable them to travel with migrant workers who are not in a community long enough to enter their children in school. The patience that comes with age will be an asset in work with the mentally retarded and the mentally ill. This program can be particularly helpful to, and helped by, our older citizens.

V. HOUSING

Adequate housing is essential to a full, satisfying life for all age groups in our

population. The elderly have special needs for housing designed to sustain their independence even when disability occurs, and to promote dignity, self-respect, and usefulness in later years. Yet millions of older people are forced to live in inferior homes because they cannot find or afford better. Nearly half of our people 65 and older, it has been estimated, live in substandard housing or in housing unsuited to their special needs.

In the past 2 years the Congress and the executive branch have taken major strides to assist in providing housing specially designed for the elderly. Under the three special programs administered by the Housing and Home Finance Agency—mortgage insurance, direct loans, and public housing—commitments have been issued for the construction of 49,000 units of specially designed housing for the elderly. This almost tripled the total investment in special housing for the aged aided by the Federal Government, raising it from $336 million at the end of calendar 1960 to $950 million at the end of 1962.

The following steps are essential this year:

(a) Direct loan assistance: The direct loan program for housing for senior citizens is rapidly using up all available funds under existing appropriations and authorizations. Moreover, no appropriation has yet been made to put into operation the new authority provided last fall to the Secretary of Agriculture to make loans for rental housing in rural areas for elderly persons and families of low and moderate incomes.

To expand the Federal contribution toward meeting the housing needs of senior citizens through direct loans I have included in the 1964 budget a supplemental appropriation for fiscal 1963 and requested a further increase of $125 million for 1964 in appropriations for the Housing and Home Finance Agency. I have also requested a supplemental appropriation of $5 million for 1963 to initiate the new rental housing program for elderly persons in rural areas and requested an additional $5 million for 1964. I urge favorable consideration of these requests.

(b) Group residential facilities: For the great majority of the Nation's older people the years of retirement should be years of activity and self-reliance. A substantial minority, however, while still relatively independent, require modest assistance in one or more major aspects of their daily living. Many have become frail physically and may need help in preparing meals, caring for living quarters, and sometimes limited nursing.

This group does not require care in restorative nursing homes or in terminal custodial facilities. They can generally walk without assistance, eat in a dining room and come and go in the community with considerable independence. They want to have privacy, but also community life and activity within the limits of their capacity. They do not wish to be shunted to an institution, but often they have used up their resources, and family and friends are not available for support. What they do need most is a facility with housekeeping assistance, central food service, and minor nursing from time to time. The provision of such facilities would defer for many years the much more expensive type of nursing home or hospital care which would otherwise be required.

To meet the special needs of this group, facilities have been constructed in many communities, and many more should be constructed. Such buildings can be small, with facilities for group dining, recreation and health services; and they should be integrated with the various community resources which can sustain and encourage independent living as long as possible. I am requesting (a) that the Housing and Home Finance Administrator give greater emphasis to the construction of group residences suitable for older families and individuals who need this partial personal care, and (b) that the Secretary of Health, Education, and Welfare, using the funds under the proposed Senior Citizen's Act and other resources already available to his Department, work with communities to assure that health and social services are provided efficiently for the residents of such facilities in accordance with comprehensive local plans.

(c) Eligibility of single elderly persons for moderate income housing: One of the new programs authorized by the Housing Act of 1961 which is already achieving substantial success finances rental housing, at below-market rates of interest, for families whose incomes are not low enough to qualify for public housing, but not high enough to afford housing financed on private market terms. This program is providing good housing to many moderate income families of all ages caught in the income squeeze. However, under the law it is limited to families; single persons are not included. About half of America's senior citizens are in a single or widowed status and therefore cannot obtain the benefits of such housing. Modification of this program is needed if it is to serve them. I recommend that the Congress amend the law to make single elderly persons eligible, if they otherwise qualify, to live in housing financed under section 221(d)(3) of the National Housing Act.

(d) Home financing: Many of the homes of our older citizens require modernization or rehabilitation. Other older citizens need or prefer to sell their homes and realize their investment in it. Unfortunately, such actions too often involve a substantial financial sacrifice. I am directing the President's Council on Aging to study these problems and develop a program to assist older citizens with the modernization, rehabilitation, or sale of their individually owned homes, such program to be submitted to me by October 31 of this year.

### VI. COMMUNITY ACTION

The heart of our program for the elderly must be opportunity for and actual service to our older citizens in their home communities. The loneliness or apathy which exists among many of our aged is heightened by the wall of inertia which often exists between them and their community.

We must remove this wall by planned, comprehensive action to stimulate or provide not only opportunities for employment and community services by our older citizens but the full range of the various facilities and services which aged individuals need for comfortable and meaningful life. I believe that in each State government specific responsibility should be clearly assigned for stimulating and coordinating programs on aging; and that every locality of 25,000 population or above should make similar provision, possibly in the form of a community health and welfare council with a strong section on aging.

The Federal Government can assume a significant leadership role in stimulating such action. To do this, I recommend a 5-year program of assistance to State and local agencies and voluntary organizations for planning and developing services; for research, demonstration, and training projects leading to new or improved programs to aid older people; and for construction, renovation, and equipment of public and nonprofit multipurpose activity and recreational centers for the elderly.

The assistance to be provided under this legislation will not duplicate other grant programs; indeed, it will make possible the more effective use of grants for such purposes as health, housing, and other services. Developing a comprehensive community plan will enable communities to discover where gaps exist, where unnecessary duplications lie, where health grants are most needed, and where sound social service or adult education or senior housing developments should be strengthened.

Among the demonstration projects which can be developed under this program would be the establishment of single, one-stop centralized information and referral offices, to avoid the need of an aged person seeking assistance from as many as a dozen agencies before finding the particular service or combination of services he needs—and the construction of multipurpose activity centers providing older people with educational experiences promoting health, literacy, and mental alertness, with information concerning available community services, and with an opportunity to volunteer for helping others in a variety of community programs.

The legislation is of real importance to our older citizens, and to the State and local agencies which can be strengthened by it. I strongly urge its enactment.

### VII. OTHER LEGISLATION

Other measures previously recommended and not specifically designed for older citizens can be of immense benefit to them. For example:

Too many senior citizens are wasting away in obsolete mental institutions without adequate treatment or care. The mental health program previously recommended can help restore many of them to their communities and homes.

Too many elderly people with small incomes skimp on food at a time when their health requires greater quantity, variety, and balance in their diets. The pilot food stamp program recommended in my farm message could improve their nutrition and health.

Of the more than 17½ million persons aged 65 and over, about 14 million did not finish high school, some 6 million of these did not finish grade school and over 1 million received no education at all. The comprehensive education program previously recommended would encourage Federal-State programs of general university extension for those previously unable to take college courses, and adult basic education for those who are considered to be functionally illiterate. The largest percentage of illiteracy still existing in this country is found among men and women 65 and over. To gain the ability to read and write could bring them a new vision of the world in their later years. Increased library services provided under this program would also be of particular interest to older people.

Finally, the District of Columbia should make every effort to take full advantage of Federal legislation aiding senior citizens. There is no reason why the District of Columbia should not be a leader and a model in its community senior citizen program.

CONCLUSION

Our aged have not been singled out in this special message to segregate them from other citizens. Rather, I have sought to emphasize the important values that can accrue to us as a nation if we would but recognize fully the facts concerning our older citizens—their numbers, their situation in the modern world, and their unutilized potential.

Our national record in providing for our aged is a proud and hopeful one. But it can and must improve. We can continue to move forward—by building needed Federal programs—by developing means for comprehensive action in our communities—and by doing all we can, as a nation and as individuals, to enable our senior citizens to achieve both a better standard of life and a more active, useful, and meaningful role in a society that owes them much and can still learn much from them.

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 21, 1963.*

## ANNOUNCING INTRODUCTION OF ADMINISTRATION HOSPITAL INSURANCE PROPOSAL

Mr. KING of California. Mr. Speaker, I ask permission to revise and extend my remarks at this point in the RECORD, and to include extraneous material. Mr. Speaker, this matter will make more than two pages. I have an estimate from the Public Printer of $750. Notwithstanding, I request it be included at this point in the RECORD.

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

There was no objection.

The matter referred to follows:

HON. CECIL R. KING, DEMOCRAT, OF CALIFORNIA, RANKING DEMOCRATIC MEMBER ON THE COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, ANNOUNCES INTRODUCTION OF ADMINISTRATION HOSPITAL INSURANCE PROPOSAL, H.R. 3920, THE HOSPITAL INSURANCE ACT OF 1963

Congressmen CECIL R. KING, Democrat, of California, the ranking Democratic member on the Committee on Ways and Means, House of Representatives, today introduced at the request of President Kennedy the administration hospital insurance proposal, immediately after receipt in the House of Representatives of President Kennedy's special message which included this subject.

Congressman KING expressed his intention diligently to work for early consideration of this proposal in the Committee on Ways and Means, and expressed the hope that favorable action would be taken on the bill by the Committee and by the House of Representatives before the end of the 1st session of this Congress.

Congressman KING stated: "I am again happy to introduce President Kennedy's hospital insurance proposal, and I intend to press for expeditious consideration of the bill in the Committee on Ways and Means and in the House of Representatives.

"I trust, with the many months that have passed since the substance of this proposal to provide hospitalization insurance under the social security insurance system was originally proposed, that all interested parties are now prepared to view the proposal objectively and dispassionately without name calling, platitudes, political maneuvering, and shibboleths which have attended its prior consideration. If viewed in this light there can be, in my judgment, only one answer and that is early and favorable action on the proposal in this Congress.

"As I said of the administration proposal in the last Congress, it represented less than many individuals might wish to have included, but at the same time it represented far more than other individuals or interests wanted to include. The same thing is true of this proposal that I have today introduced. However, there has been an opportunity to add further refinements and to make changes which the President and I think improve this proposal. I might point out that there certainly has been ample opportunity during the past several years for all interested individuals to thoroughly consider what is involved. I see no reason why there should not be expeditious consideration and favorable action at an early date."

There follows a summary of the provisions contained in H.R. 3920, the Hospital Insurance Act of 1963, as prepared by the Department of Health, Education, and Welfare.

---

BRIEF SUMMARY OF PROPOSED HOSPITAL INSURANCE ACT OF 1963

PERSONS ENTITLED

Protection would be provided against the cost of inpatient hospital, outpatient hospital diagnostic, skilled nursing home, and home health services for people age 65 and over who are entitled to monthly benefits under the old-age and survivors insurance program or under the railroad retirement system. The number of people past age 65 who would be included in this way is estimated at 15½ million as of January 1, 1965.

In addition, the bill would make it possible for essentially all people who are now 65 and over, or who will reach 65 in the next few years but who are not eligible for social security or railroad retirement benefits, to have the same protection. (This provision would not apply to aliens with relatively short residence in the United States or to active or retired Federal employees who have the opportunity for protection under their own health insurance plans.) The cost of this provision would be met from general revenues. Men and women who will 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 the hospital and related benefits. Uninsured people who reach age 65 after 1966 would need, to be insured for hospital insurance protection, three quarters of coverage for each year elapsing after 1964 and before age 65. The provision would wash out in 1970 for women and 1972 for men, because at those points the regular insured status provisions would be more liberal. About 2½ million persons would be covered in this way as of January 1, 1965.

SCOPE AND DURATION OF BENEFITS PROVIDED

The services for which payment would be made under the bill include:

1. Inpatient hospital services for up to either 45 days with no deductible, 90 days with a deductible amount of $10 a day for the first 9 days (with a minimum of $20), or 180 days with a deductible amount equal to the average cost of 2½ days of hospital care, as elected by the beneficiary (failure to specifically elect the 45-day option or the 180-day option would be deemed an election of the 90-day option); hospital services would include all those customarily furnished by a hospital for its inpatients; payment would not be made for the hospital services of physicians except those in the fields of pathology, radiology, physical medicine, and anesthesiology provided by or under arrangements made by the hospital, or services provided by an intern or resident-in-training under an approved teaching program.

2. Skilled nursing home services furnished in nursing facilities that are affiliated with hospitals, after the patient is transferred from a hospital, for up to 180 days.

3. Outpatient hospital diagnostic services, as required, subject to a $20 deductible amount for diagnostic services furnished within a 30-day period.

4. Home health services for up to 240 visits during a calendar year; these services would include intermittent nursing care, therapy, and the part-time services of a home health aid.

No service would be covered as a nursing home, outpatient diagnostic, or home health service if it could not be covered as an inpatient hospital service.

An individual would be eligible for the number of days of hospital care provided under the option he elects and 180 days of skilled nursing facility services in each benefit period. A new benefit period could not begin until 90 days had elapsed in which the patient was neither in a hospital nor in a skilled nursing facility. The 90 days need not be consecutive, but they must fall within a period of not more than 180 consecutive days beginning with the start of his most recent benefit period.

The Secretary would be required to study, after consultation with appropriate professional organizations, ways of increasing the availability of skilled nursing facility care. On the basis of such study, the Secretary may authorize the participation of facilities which, though not affiliated with hospitals, operate under conditions assuring the provision of a good quality of care, provided such action does not create an actuarial imbalance in the trust fund.

FREE CHOICE OF PHYSICIAN AND HOSPITAL

Under the bill, no change would be made in the freedom of choice of physician and hospital. No service performed by any physician at either home or office, and no fee he charges for such services, would be involved or affected. No supervision or control over the practice of medicine by any physician or over the manner in which services are provided by any hospital is permitted.

BASIS OF REIMBURSEMENT

Payment of bills for hospital and related services would be made in generally the same manner as is now customary in Blue Cross plans. Payments to the providers of service would be made on the basis of the reasonable cost incurred in providing care for beneficiaries. The amount paid under the program would be payment in full for covered

services, except, of course, that the provider could charge the patient the deductible amounts and extra charges for a private room, unless medically necessary, or private duty nursing.

ADMINISTRATION

Responsibility for administration of the program (except for railroad retirement annuitants and pensioners) would rest with the Secretary. Considerable reliance would be placed upon the States to assure that local conditions would be taken into account. The Secretary would consult with appropriate State agencies and recognized national accrediting bodies in formulating the conditions of participation for providers of service. Provision would be made for the establishment of an Advisory Council which would advise the Secretary on policy matters in connection with administration. In order to be eligible to participate in the program, providers of service would have to meet specified conditions to assure the health and safety of the beneficiaries but these conditions could not be more strict than those required for accreditation by the Joint Commission on the Accreditation of Hospitals would be accepted as meeting all requirements for hospital participation save the requirement that it have a utilization review plan.

PARTICIPATION OF PRIVATE ORGANIZATIONS

Any group of hospitals—or group of other providers of covered services—could designate a private organization of their own choice, such as Blue Cross, to receive bills for services and to pay these bills for whichever of their members prefer such an arrangement. The Secretary would be able to delegate certain administrative functions to such designated organizations. These administrative functions could 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.

OPTION TO INDIVIDUAL TO OBTAIN PRIVATE INSURANCE

The Secetary would be required to consult with and furnish assistance to providers, insurance carriers, and public and private welfare organizations in order to encourage and help them to develop and make generally available to the aged supplementary private insurance protection.

FINANCING

The social security contribution rates would be increased one-fourth of 1 percent on employers and one-fourth of 1 percent on employees and four-tenths of 1 percent for the self-employed; the amount of annual earnings subject to the tax and creditable for social security monthly benefits would be increased from $4,800 to $5,200 a year. Raising the amount of earnings creditable for benefits would improve the benefit structure of the system generally and would also provide additional income which together with the income from the contribution rate increase would fully meet all the costs of the hospital insurance program. The cost of providing hospital and related benefits to people who do not meet the regular social security insured status requirements would be met from general revenues. A separate hospital insurance trust fund would be established for the program. The long-range cost of the program is estimated to be 0.68 percent of payroll, which is balanced by the estimated income from the new financing.

---

## FURTHER STATEMENT ON THE ADMINISTRATION'S HOSPITAL INSURANCE BILL

The President has transmitted to the Congress a proposal to provide hospital insurance benefits for persons aged 65 and over through the social insurance system. The problem that the proposal would meet is grave and presses for solution. It is with a sense of urgency that the bill has today been introduced which embodies the proposal made by the President.

NEED FOR HEALTH PROTECTION

Today, few people reaching retirement age are free of the haunting fear that an expensive hospital stay will wipe out their savings and, after a lifetime of independence, force them to accept public assistance, private charity, or dependence on their children. The harsh medical and economic realities that underlie this problem can be stated quite simply. First, old people need three times as much hospital care as younger people. Each year, one out of every six aged people is hospitalized. Nine out of ten older people are hospitalized at least once after reaching age 65; most have to bear the cost of two or more hospital stays in old age.

And the figures on income and assets are no less disturbing. One-half of all aged couples have less than $2,500 in annual income. The average aged person living alone—retired or not—has an income of not much over $1,000 per year, some 60 percent short of being enough to provide a modest budget for a single retired person. Although many older people have equity in a home, one-third have less than $100 in liquid assets.

These facts are borne out by the much-publicized study that was recently conducted by the University of Michigan.

And it is not only the very poor older person whose economic security is threatened by ill health. When serious illness occurs with such frequency after 65 that the average couple can expect five periods of hospitalization between 65 and death, ill health threatens the financial independence of even the relatively few older people who might be considered fairly well off. With health care costs continuing to rise and the financial resources of the aged rising much more slowly, the problem of meeting these costs in old age can only become more difficult.

INADEQUACIES OF PRIVATE INSURANCE

Private insurance alone cannot solve the problem that the aged face in financing their health costs. This is a matter of simple mathematics. The fact that old people have high health costs makes them a high-risk group; it costs more to insure them. The other side of the dilemma is that, generally speaking, old people—even those who would be accepted for insurance—cannot afford to buy adequate health insurance. The gap between the cost of health insurance in old age and the incomes of the elderly is widened by the fact that low-cost group insurance generally is not available to the aged. This means that many elderly people must buy their health insurance on an individual basis, a type of coverage that can cost twice as much as group coverage offering identical protection.

Even the much-heralded nonprofit Blue Cross plans for the elderly that recently became available offer no solution to the problem. In eight States, Blue Cross coverage costs the elderly person $150 or more a year—$300 per year or more for a couple.

It is certainly not hard to understand why only about half of the aged have health insurance of any kind and why in many cases the coverage is so restricted. Surveys show that the elderly people who have health insurance tend to be the younger and healthier members of the aged group who have incomes that are above the average for older people. Thus, further expansion of private health insurance for the elderly, if it is to occur, must cope with the problem of insuring those who have lower incomes and those in ill health, the very people least able to pay for insurance and who are at the same time the poorest insurance risks.

Thus, another fact that is now well established is that private insurance alone cannot solve the problem that the aged face in financing their health costs.

INADEQUACIES OF MEANS-TEST PROGRAMS

Most Americans would agree that medical assistance for the aged cannot and will not solve the problem of financing health costs in old age. It is now 2½ years since the enactment of the legislation which made Federal grants available to help the States establish programs of medical assistance for the aged. Yet, only half of the States have established any kind of a program of medical assistance for their aged residents under the MAA law; and most of those that have been set up are quite ineffective.

In November 1962 only 112,000 elderly people were getting help under these programs, only a small portion of the aged who have low incomes and high medical costs. Nearly three-quarters of the payments were concentrated in California and two other high-income States—Massachusetts and New York. Generally, very little has been done in the States with lower income and greater need. These other States certainly want to do the best possible job in meeting the needs of their elderly residents, and the Federal Government puts no strings on the substantial financial help it will provide. In fact, the MAA legislation does not even put an upper limit on the matching funds that could be provided by the Federal Government.

The reason that the MAA legislation has fallen so far short of its objective is that the States do not have their part of the money necessary to do a good job, and there is no indication that large new State revenue sources will suddenly open up. The financial burden on the States, if all were to develop full-fledged MAA programs, would be enormous. They would have to raise funds amounting to about three times as much as they are now spending for medical care under both the new medical assistance for the aged programs and under the vendor payment provisions which have been a part of the old-age assistance programs for more than 10 years.

In any case, the problem is not primarily that of the very poor—the group helped by public assistance. The problem of meeting the cost of medical care in old age hits hard at the great majority of older people who are neither rich nor very poor. It exists for those of average income and those of above-average income. Very few indeed are those who reach retirement age with sufficient resources to be secure in the knowledge that they can pay for all the health care they will need in the years from retirement to death. Giving assistance to people who are already reduced to poverty is necessary, but the prevention of dependency is certainly more in line with the aspirations of the American people.

INADEQUACY OF MONTHLY BENEFITS

Monthly cash social security benefits can go far in meeting regular and recurring expenses like those for food, clothing, and rent. But even if these cash benefits were a good deal higher than they are, they would be ineffective in solving the problem the aged have in meeting their health costs. Health costs 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 not desirable, even if it were possible, to increase the social security cash benefit sufficiently to cover such large expenses. The obvious solution is to even out this expense over time and to spread it over both the sick and the well. The only way to achieve this is through insurance. And that of course is all that the bill I have introduced proposes to do.

THE SOCIAL SECURITY APPROACH

The proposal would add hospital insurance protection to the retirement income protection of social security. In the past, we have raised social security benefits, for those who were already on the rolls as well as for future beneficiaries. The coverage under the proposal of past contributors to the system who are now old is based solidly on past precedent.

After passage of the proposal, social security beneficiaries would be entitled to at least the minimum cash benefit and a hospital insurance policy. Above this minimum, the benefits would vary, of course, in relation to past earnings. The proposal differs from past increases in social security benefits only in that the security of the aged demands that the next increase in the minimum protection under social security be in the form of hospital insurance.

Social security is an effective instrument for the purpose at hand, because under it people earn protection for their later years by contributing to social security while they are working and are best off. Thus, social security can relieve the elderly person of the burden of hospital insurance costs on his retirement income.

Under social security hospital insurance, there would be no requirement that the elderly submit to investigation of their needs and resources, or that their children submit to such an investigation, as happens under public assistance. Nor would the proposed social security protection be denied to residents of any State.

ENCOURAGEMENT OF PERSONAL RESPONSIBILITY

The absence of any means test or income test in social security is one reason why the American people overwhelmingly support the social security program. Current workers know the social security taxes they pay are going to help meet the cost of benefits that will be available to them in retirement regardless of what they may be able to add to these benefits in terms of private pensions or individual savings. This is one of the great strengths of the social security program; that it is a base to which people can add other forms of protection on their own through voluntary effort. This is the basis of the great partnership that exists today between the social security program and the tens of thousands of private pension plans. Any income test or means test destroys this partnership, for under such tests one loses rights to payments in proportion to one's success in securing private pension protection or in accumulating individual savings. Thus an income test is a disincentive to individual voluntary effort and to saving.

All of this is exactly as true in the area of benefits covering hospital costs as it is in the case of cash benefits. If we provide hospital insurance protection for the aged, the individual will be secure in the knowledge that his social security hospital insurance protection will be available to him whatever resources he may have. The worker will have every incentive to provide additional protection for himself, and he can be counted on to do so.

THE PROPOSAL

Like the bill in the last Congress, this proposal is focused on hospital services because an illness that necessitates hospitalization is usually the most costly. The medical expenses for aged people who are hospitalized are about five times greater than the medical bills of aged people who are not hospitalized. And among the aged, hospitalization is very likely to occur; 9 out of every 10 persons who reach age 65 will be hospitalized at least once before they die, and 2 out of 3 will be hospitalized two or more times.

As in H.R. 4222 of the last Congress, physicians' fees would not be paid for under the proposal. Payment of physicians' fees would require financial arrangements which are opposed by most physicians. Moreover, the proposed program would apply its benefits to cases of illness which generally require large expenditures rather than to the occasional drug bill or doctor visit. Thus, it would provide relief in situations where medical costs are highest.

One of the most significant features of the proposal is that it covers alternatives to inpatient hospital care. Provision has been made for payment for services provided by hospital-related skilled nursing facilities, for visiting nurse services and other home health care, and for outpatient hospital diagnostic studies in order to promote the most efficient and economical use of existing health care facilities.

In providing for payment for these alternative services, the proposed program would reinforce the efforts of the health professions to reserve hospital beds for acute illnesses requiring intensive treatment that can be provided only in a hospital.

The hospital insurance system would be financed in the same manner and with the same safeguards as apply to the present social security program. Let me read you a short excerpt from the January 1, 1959, report of the Advisory Council on Social Security Financing: "The Council finds that the present method of financing the old-age, survivors, and liability insurance program is sound, pratical, and appropriate for this program. It is our judgment, based on the best available cost estimates, that the contribution schedule enacted into law in the last session of Congress makes adequate provisions for financing the program on a sound actuarial basis."

The benefits of the proposal would be financed on the same sound actuarial basis. The cost calculations have been carefully developed by the Chief Actuary of the Social Security Administration. The actuary's estimates are based on assumptions and methodology consistent with those used for the present old-age, survivors, and disability insurance program. Under H.R. 3920, the social security contribution rates would be increased by one-fourth of 1 percent each for employers and employees, and four-tenths of 1 percent for the self-employed; the taxable earnings base would be increased from $4,800 to $5,200 a year. Raising the earnings base would improve the benefit structure of the system generally and would also provide additional income which, together with the income from the contribution rate increase, would fully meet all hospital insurance costs.

Although a detailed description of the proposal will be submitted for the record, there follows a brief review of the general nature of the major changes from H.R. 4222 of the 87th Congress that are embodied in H.R. 3920.

THE UNINSURED

One of the important advantages of H.R. 3920 is that it gives protection to practically all of our 17½ million aged population—not just those who are eligible for cash benefits under the social security and railroad retirement programs. The proposal would provide hospital benefit protection to almost 2½ million people 65 and over who have not worked long enough under the social security or railroad retirement program to be insured under either of those systems and who are not eligible for health insurance as active or retired Federal civilian employees.

The provision under which hospital benefits would be made available to people who are not outside the social insurance system is a transitional one. It is designed to wash out in few years, so that people who reach age 65 in coming years will have had to contribute during their working years to social security in order to be eligible for hospital benefits.

The cost of hospital benefits for people not eligible for cash benefits under the social security or railroad retirement programs would be borne by the general fund of the Treasury. It should be emphasized that no social security tax money would be used to pay for the hospital benefits of these aged people. Thus H.R. 3920 would provide meaningful basic protection against hospital costs for virtually all of our senior citizens and, at the same time, maintain the principle that social security benefits should be reserved for social security contributors.

INDIVIDUAL OPTION

The proposed legislation would give beneficiaries an opportunity to select any one of three forms of hospital insurance protection. Under one option, a beneficiary would be protected against hospital costs for up to 90 days during any period of illness subject to a deductible amount equal to $10 per day (with a minimum of $20) for the first 9 days of the individual's hospital stay. Under the second option, the beneficiary could elect to be protected for a maximum of 45 days of hospital care with no provision for a deductible. A beneficiary who took the third option could receive benefits for up to 180 days of hospital care during any period of illness, with a deductible amount equal to 2½ times the average per diem cost of hospital care.

A great variety of private insurance policies would fit into one of the three benefit packages that would be available to the elderly. By giving beneficiaries a choice between three different coverages, the proposal would greatly facilitate private insurance supplementation of the basic social security health insurance.

The proposal contains an additional provision which is designed to stimulate the development and availability of private supplementary insurance for the aged. Under the bill, the Secretary would be required to consult with hospitals and other health care providers, insurance carriers and public and private welfare organizations for the purpose of encouraging and assisting them in the development and provision of supplementary protection.

RELIANCE ON PRIVATE ORGANIZATIONS

The proposed legislation would give the Secretary of Health, Education, and Welfare specific statutory authority to delegate some of the more sensitive administrative functions to Blue Cross and similar voluntary organizations that are experienced in dealing with hospitals and other providers of services. 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. Those who are concerned that Government might try to intervene in hospital affairs will feel much more comfortable with such organizations serving as intermediaries between the Government and the providers of services.

SEPARATE TRUST FUND

The new proposal includes a provision for a separate hospital insurance trust fund. Some people were concerned about the intermingling of old-age, survivors, and disability insurance funds with hospital insurance funds even though separate accounts would have been maintained. The provision for separate trust funds makes clear that funds will not be transferable from one program to another.

HOSPITAL STANDARDS

The proposed legislation modifies a number of provisions included in H.R. 4222 in the last Congress so as to make it perfectly clear that the proposed program could not, in any way, interfere with medical practices and hospital operations. While these modifications are in the nature of technical changes,

they are important in that they make it abundantly clear that the Government would not have any authority to regulate medical care.

Some critics of the 1961 bill have made much of the fact that hospitals would have to meet health and safety criteria prescribed by the Secretary of HEW as a condition for their participation in the program. In testifying for the hospitals themselves, the representatives of the American Hospital Association told the Committee on Ways and Means that the criteria in my previous bill were both reasonable and necessary. If the proposed hospital insurance plan were to operate without placing conditions on participation by providers of health services, the hospital insurance payments that would be made could damage the continuing efforts of the health professions to improve the quality of hospital care available throughout the country. To allay the fears of those who expressed concern that the Secretary of HEW might prescribe unreasonable health and safety requirements, the bill just introduced provides specifically that neither those requirements nor any of the related requirements may exceed the professionally set and professionally accepted standards established for hospitals by the Joint Commission on the Accreditation of Hospitals. Further, the bill now specifically provides that a hospital that is accredited by the Joint Commission would be conclusively presumed to meet the conditions for participation in the proposed social security health insurance plan, except for the requirement for utilization review arrangements to be established and run by the hospitals. About 85 percent of the hospital beds in the country are in hospitals that are accredited by the Joint Commission.

The original bill clearly anticipated heavy reliance on agencies like the Joint Commission on the Accreditation of Hospitals; the present proposal goes so far as to name the Commission—to make this intent as clear as possible.

SKILLED NURSING FACILITY AFFILIATION

Even more significant than the need for quality protection in the hospital area is the need for safeguards in the case of nursing homes. It would be regrettable if payment were to be made for health care in the many nursing institutions which are not equipped or staffed to furnish the professional care which is proposed to be paid for, or in the many institutions whose environment is truly a threat to the lives of their patients. This concern, together with recent successful experience with hospital-nursing home affiliation, led to the inclusion in the present proposal of a provision that would further clarify the objective of skilled nursing facility payments by limiting them to facilities that are affiliated with a hospital.

The degree of affiliation that would be required would not involve any loss of basic autonomy on the part of either the nursing facility or hospital; it would only assure that the nursing facility is operating under professional standards relating to its nursing services, clinical records and the dispensing of drugs—standards which have been agreed to by the hospital and nursing facility. The affiliation requirement would also assure the timely transfer of patients between the affiliates as the patients' conditions and medical needs change. In this way, the amendment establishes an improved basis for meeting the objective of paying for nursing facility care only in cases where such care is necessary for treatment of the condition for which the patient was hospitalized.

DRUGS COVERED

The proposed legislation makes a technical change that would make doubly sure that the measure would not discourage the use of any drugs of therapeutic value. Under the previous bill, hospital payments would have covered any drug or biological supplied by the hospital that is listed on any one of the three major U.S. drug listings that have been developed by the drug industry and the medical profession. Even though these drug listings are entirely under the control of the medical profession and new drugs of therapeutic value can be added to the listings at will, some have feared that reliance on these compendia would restrict physicians. The new bill will clear up this matter by providing that payment could be made under the proposed program for a drug, whether or not listed on one of the professional drug listings, if the drug is acceptable to the drug or pharmacy committee of the hospital in which the drug is used.

QUALITY OF CARE

It is apparent from the various improvements made in H.R. 4222 of the last Congress that those who support the administration's social security hospital insurance proposal fully share the belief that any program, public or private, should in no way lower the quality of health care available to Americans. A fair appraisal of this bill will show conclusively that the proposed program, by financing some of the major health costs of the aged, can lead only to better health care for all.

In a statement issued by the Physicians Committee for Health Care for the Aged Through Social Security, some of our Nation's leading physicians made the following points:

"First, a hospital insurance program for the aged financed and administered through social security would greatly assist the aged to get better health care. The fear that a large hospital expense may be in the offing undoubtedly deters many older people from seeking needed care. Also, the patient's financial condition would no longer unnecessarily complicate the physician's decision to advise hospitalization, post-hospital convalescence in a skilled nursing facility, home health services, or an expensive diagnostic series. By removing some of the economic deterrents to obtaining appropriate care, the measure would promote earlier utilization of health services.

"Second, the measure would be an incentive to improvement in the quality of care provided by nursing homes. About 40 percent of nursing home beds have been classified by States as unacceptable on the basis of fire and health hazards. Many other nursing homes provide inadequate nursing care. With participation in the proposed hospital insurance program open only to skilled nursing facilities with a hospital affiliation, those participating would serve as much-needed models for the improvement of other nursing homes.

"Third, the principle of free choice of institution would be made more meaningful, and continuous supervision of patient care by private physicians would be facilitated. The county hospital for indigents, with choice limited to county physicians, would no longer be the fate of many elderly people.

"Finally, by paying for the full, reasonable cost of the covered hospital services the elderly receive, the proposed program would put hospitals on a much more solid financial footing and make improvements possible that the hospitals now cannot afford."

CONCLUSION

The problem that old people face in meeting their health costs is one that they themselves cannot handle entirely on their own. It is a grave and urgent problem. Private insurance alone is not the answer. The retirement benefits paid under social security cannot by themselves be high enough to meet the costs of expensive health care in old age. Medical assistance for the aged, though necessary as a second line of defense, cannot do the job. The only solution is to provide for meeting some of the principal costs of serious illness in old age through hospital insurance under the social security program. This is abundantly clear from the evidence that has been presented during the course of the hearings that the Committee on Ways and Means held in the last Congress and the facts that have been brought to light as a result of the extensive study that has followed those hearings. The social security program offers the only practical mechanism that would enable the great majority of the people of our country to provide for their health needs in old age. Under social security, contributions are spread over the individual's working lifetime; they vary with earnings levels and are shared by employers and employees. In old age the protection is available without further contributions. This is what makes the system so perfectly adapted to the problem, a problem that can be defined in terms of the greatest need for health care coming in the retirement years—just when incomes are lowest. The social insurance mechanism also offers a truly conservative approach to meeting basic costs of illness in old age. The scope of the hospital insurance protection that would be provided would be clearly defined and limited by law, the longrun cost of the program would be actuarially calculated, and the revenue calculated to be required to finance the program would be provided.

The many years of exhaustive study and discussion that have preceded the drafting of this bill have clearly established the critical need for its enactment. That issue is simple and clear: Should we provide a way for people to help pay their own way, with incentives to work and save, or should we take away these incentives by helping only those who have little income and savings and can meet a means test? There is no doubt how these questions would be answered by the great majority of Americans who await this decision for there is no doubt how Americans feel about their system of social security.

Let us make it clear to the people we represent that we too reject the idea that our senior citizens, who have lived all their lives in dignity and independence, should be required to use up their savings and submit to an investigation of need before they can get essential hospital care. Let us choose the way that is consistent with the American concept of earning protection through work—the social security way.

---

DESCRIPTION OF HOSPITAL INSURANCE ACT OF 1963

(Prepared by the Department of Health, Education, and Welfare)

PROHIBITION AGAINST ANY FEDERAL INTERFERENCE

The bill specifically prohibits the Federal Government from exercising supervision or control over the practice of medicine, the manner in which medical services are provided and the administration or operation of medical facilities.

FREE CHOICE BY PATIENT GUARANTEED

The bill specifically provides that a beneficiary may receive services from any participating provider of his own choice.

ELIGIBILITY

The proposal is limited to coverage of the aged because the aged as a group have low incomes and high medical care expenses. Moreover, they are at a period in life where their incomes and assets are more likely to go down than up. Their income is, on the average, about half that of those under 65; at the same time they require three times the hospital care of younger people. Furthermore, since most aged people are not employed they have in general no opportunity to obtain economical group insurance. The individual or nongroup health insurance that may be available to them is often twice as expensive for the same benefits—because

of higher acquisition cost, premium collection cost, and other administrative costs—as group insurance would be.

Under the bill, hospital insurance protection would be provided for all people who are aged 65 and over and entitled to monthly old-age or survivors insurance benefits or to benefits under the Railroad Retirement Act. An individual would be eligible for hospital insurance protection at age 65 even though his monthly cash benefits are being withheld because of earnings from work. In addition, protection would be provided, under a special provision of the plan, to many people aged 65 and over who are not eligible for benefits under the social security or railroad retirement systems.

Almost all of the more than 18 million people who will be age 65 and over in January 1965 would be protected under the proposal. The few not protected under the legislation would consist for the most part of retired Federal civilian employees, who have their own health insurance program, and aliens with relatively short residence in the United States. Of the people protected under the proposal, about 15½ million would be covered as persons eligible under the old-age and survivors insurance or railroad retirement programs and about 2½ million would be protected under the special provision.

Under the special provision, aged people who are not insured for cash benefits under the social security or railroad retirement systems would be deemed insured for hospital and related benefits only. Uninsured people who reach age 65 in 1967 would be deemed to be insured for hospital benefits if they had earned as few as six quarters of coverage in covered work at any time—nine fewer quarters of coverage than men of this age need to qualify for cash social security benefits.

For people who reach age 65 in each of the succeeding years, the number of quarters of coverage needed to be insured for hospital insurance protection would increase by three each year. For persons who attain age 65 after 1972, the special insured status requirements for hospital insurance would require as many or more quarters of coverage as the regular insured status requirements for other social security benefits, so that the new insured status requirement will soon "wash out."

The cost of the coverage for aged persons who do not meet the regular insured status requirement of the social security law would be met from general revenues. Thus, the provision of the same hospital benefits for persons who are not fully insured under the social security system would not be inconsistent with the principles upon which the system is based. Funds obtained through the application of social security contributions would be used only to pay benefits of those who have contributed over a sufficient length of time to acquire insured status, and over the long run only persons who make significant contributions would be eligible for benefits.

BENEFITS PROVIDED

The bill would provide payments for inpatient hospital services, followup care in a hospital-affiliated skilled nursing facility, certain organized home health agency services and hospital outpatient diagnostic services.

Inpatient hospital services were selected as the point of concentration in the bill because of the great financial strain placed on people who must go to the hospital. Medical expenses for aged people who are hospitalized in a year are about five times greater than the annual medical bills of aged people who are not hospitalized, and hospital costs account for the major portion of the difference between the health bills of the hospitalized aged and those not hospitalized. Further, the occurrence of hospitalization one or more times in old age is to be expected. It is estimated that 9 out of every 10 people who reach age 65 will be hospitalized at least once before they die; 2 out of 3 will be hospitalized two or more times. Another reason for placing primary emphasis on protection against the cost of hospital care is that hospital insurance is the part of the protection against health costs on which there is the most experience in this country—through Blue Cross and other Government programs—with the result that adequate models for administration are available.

BENEFICIARY OPTION

Under the bill, payment would be made for up to 90 days of inpatient hospital services, subject to a deductible amount of $10 a day for up to 9 days (with a minimum of $20), unless the beneficiary exercises his option to receive inpatient hospital benefits for either (1) up to 45 days with no deductible or, (2) up to 180 days with a deductible amount equal to the average daily cost of 2½ days of hospital care.

The provision under which each beneficiary could choose among three alternative hospital benefit plans enables the beneficiary to select the plan which he thinks is best suited to his needs.

SERVICES FOR WHICH PAYMENT WOULD BE MADE

Hospital services: The proposed inpatient hospital benefits would (except for the deductible amount applicable under two of the beneficiary options) generally cover the full cost of all hospital services and supplies of the kind ordinarily furnished by the hospital which are necessary in the care and treatment of its patients. The full coverage follows the recommendations of the Commission on Financing of Hospital Care and other expert groups studying hospital insurance. As hospitals acquire new equipment, adopt new health practices, and improve their services and techniques, the additional operating costs resulting from such changes would automatically be covered under the proposal without need for modification. Thus, coverage would always be up to date. Furthermore, this built-in responsiveness to changing medical practices and needs would provide assurance that the program would provide the proper financial underpinning to improvements in care.

Skilled nursing facility services: The bill would provide payments for the cost of hospital-affiliated skilled nursing facility services in cases where a hospital inpatient is transferred to such a facility to continue to receive professionally supervised skilled nursing care (while under the care of a physician) needed in connection with a condition for which he had been hospitalized. The requirement that the patient have been transferred from a hospital is one of the measures included in the bill to limit the payment of nursing home benefits to persons who may reasonably be presumed to require continuing skilled nursing care and for whom the nursing facility provides an alternative to continued hospitalization.

Home health care services: Payments would be made for visiting nurse services and for other related home health services when furnished by a public or nonprofit agency in accordance with a plan for the patient's care that is established and periodically reviewed by a physician. Since the nature and extent of the care a patient would receive would be planned by a physician, medical supervision of the home health services furnished by paramedical personnel—such as nurses or physical therapists—would be assured.

Outpatient diagnostic services: In the case of outpatient hospital diagnostic services, payment could generally be made for any tests and related services that are customarily furnished by a hospital to its outpatients for the purpose of diagnostic study. Payment would only be made for the more expensive diagnostic procedures because a $20 deductible amount would be applied for each 30-day period during which diagnostic services are furnished.

PATIENT'S NEED AND ECONOMY SERVED

The bill provides payments for skilled nursing facility care, home health agency services and hospital outpatient diagnostic studies in order to promote the economical use of hospital inpatient services. In doing so, the proposed legislation would support the efforts of the health professions to limit the use of hospital beds to the acutely ill who need intensive care and to make more efficient use of other health care facilities. Moreover, coverage of these services is consistent with the recommendations made by authorities who have studied the causes and effects of improper utilization of hospital care. For example, the availability of protection against the costs of outpatient hospital diagnostic tests would avoid providing an incentive to use inpatient hospital services in order to obtain coverage of the cost of diagnostic services. The availability of this protection would also give support to preventive medicine by meeting part of the costs of expensive procedures that are essential in the early detection of disease.

INCLUDED AND EXCLUDED SERVICES

Under the bill, payment would be limited to health services which are essential elements of the services provided by hospitals. Since the primary purpose of the proposal is to cover hospital costs and a major reason for the coverage of other services is to provide economical substitutes for hospitalization, the proposed legislation is framed to permit payment for skilled nursing facility, home health, and hospital outpatient diagnostic services only to the extent that they could be paid for if furnished to a hospital inpatient. Thus the outer limits on what the proposed program would pay for are set by the scope of inpatient hospital services for which payment could be made. Services covered outside the hospital are more limited than those in the hospital. Following is a description of the various services for which payment would be made under the bill.

Room and board: Payments would be made for room and board in hospital and skilled nursing facility accommodations. Generally speaking, accommodations for which payment would be made would consist of rooms containing from two to four beds. Covered accommodations are described by number of beds, rather than the frequently used designation of "semiprivate." The differences that exist among hospitals in the use of the term "semiprivate" would create an undesirable lack of uniformity of benefits provided.

Payments could also be made for more expensive accommodations where their use is medically indicated. Where private accommodations are furnished at the patient's request, the payments that would be made would be the equivalent of the reasonable cost of accommodations containing two to four beds. Room and board would not, of course, be paid for where the beneficiary is receiving care under a home health plan.

Nursing services: Payments would cover all hospital nursing costs, but not private duty nursing. Private duty nursing would not be paid for since it can be expected that the nursing services regularly provided by hospitals and skilled nursing facilities which would participate in the program would almost always adequately meet the nursing needs of their patients.

Payments for home health services would only cover part-time or intermittent nursing care such as that provided by visiting nurses. Where more or less continuing skilled nursing care is needed, an institutional setting is more economical and generally more suitable.

Physicians' services: The cost of physicians' services would not be paid for under the proposal except for the services of hospital interns and residents in training, and for the professional component of certain specified ancillary hospital services described below under "Other Health Services."

The bill would cover the cost of the services that hospital interns and residents in training furnish but only while they are participants in teaching programs that are approved by the American Medical Association's Council on Medical Education and Hospitals. This coverage of the services of interns and residents is in agreement with the generally accepted principle of hospital payment that third parties should contribute a fair share toward the hospital costs—in large part consisting of educational costs—of interns and residents.

Drugs: Under the bill, payment could be made for drugs furnished to hospital and skilled nursing facility patients for their use while inpatients. The bill would provide payment for drugs which are approved by the hospital's pharmacy committee (or its equivalent) or which are listed in the "United States Pharmacopoeia," "National Formulary," "New and Non-Official Drugs," or "Accepted Dental Remedies." A hospital's drugs must, of course, meet the standards established by these formularies in order for the hospital to be accredited by the Joint Commission on Accreditation. Assurance of satisfactory control over drugs in nursing facilities is provided through the requirement that the nursing facility-hospital affiliation agreement include provision for standards on use of drugs.

The drugs prescribed for a patient as part of his home health care would not be paid for under the proposed program. The decision to exclude the cost of drugs from home health service payments is part of the more basic decision not to provide coverage of drug and other outpatient therapeutic costs under the program. The coverage of drugs outside the institutional setting would, of course, add greatly to the cost of the program and would present exceedingly difficult problems in limiting payment to needed drugs and covering the payment of a multitude of small bills without excessively cumbersome and expensive administration.

Supplies and appliances: Under the proposal, payment would be made for supplies and applicances so long as they are a necessary part of the covered health services a patient receives. For example, the use of a wheelchair, crutches or prosthetic appliances could be paid for as part of hospital, nursing facility or home health services but payments would not be made for the patient's use of these items upon discharge from the institution or upon completion of the home health plan. Extra items, supplied at the request of the patient for his convenience, such as telephones in hospitals, would not be paid for.

Medical social services: Payments would cover the cost of the medical social services customarily furnished in a hospital, as well as such services furnished in a skilled nursing facility or as part of a home health plan. Such services often perform the important function for the aged of facilitating a return to normal life at home.

Other health services: Payment would be made for the various ancillary services customarily furnished as a part of hospital care, including various laboratory services and X-ray services and use of hospital equipment and personnel. Among the covered services would also be physical, occupational, and speech therapy. Payment for ancillary services would cover the costs of services rendered by physicians in four specialty fields—anesthesiology, radiology, pathology and physiatry—where the physician furnishes his services to an inpatient as an employee of the hospital or where he furnishes them under an arrangement with the hospital which specifies that payment to the hospital for the services he performs discharges all liability for payment for the services. Thus, whether the services of any particular specialist are covered would depend entirely upon the arrangement between the physician and the hospital. The chart below lists the specific kinds of hospital and related care for which payments could be made and those which would not be covered.

LIMITATIONS ON PAYMENT

The bill includes a number of limitations on the payment of hospital and related benefits, primarily because of considerations of cost and priorities of need.

The deductible provisions and the other limitations on inpatient hospital and skilled nursing home payments would be applied on a "benefit period" basis. In general, the benefit period would coincide with the beneficiary's episode of illness. Under the proposal, the benefit period would begin with the first day in which the patient receives inpatient hospital services for which payments could be made and would end after the close of a 90-day period during which he was neither an inpatient in a hospital nor a skilled nursing home; the 90 days need not be consecutive, but they must fall within a period of not more than 180 consecutive days. This limitation is designed to provide a cutoff point in the payment of benefits for persons who are more or less continuously institutionalized persons without, however, denying payment for persons who suffer repeated episodes of serious illness.

*Health services and supplies that could be paid for under the Hospital Insurance Act of 1963*

| | Inpatient hospital benefits | Skilled nursing facility benefits | Outpatient hospital diagnostic benefits | Home health agency benefits |
|---|---|---|---|---|
| Room and board | Coverage limited to bed and board in a 2-4 bedroom or in more expensive accommodations where medically required. | | Not applicable | Not covered. |
| General duty nursing services | Covered (benefits would not cover private duty nursing) | | do | Coverage limited to part-time or intermittent nursing care. |
| Physicians' services | Not covered except where furnished by an intern or resident in training in the course of an AMA-approved teaching program, or where the services are in the field of pathology, radiology, anesthesiology, and physical medicine and are rendered through the hospital. Services furnished in a nursing facility by interns and residents in training under an AMA-approved teaching program of the hospital with which the nursing facility is affiliated would be covered. | | | Not covered except where furnished by an intern or resident in the course of an AMA-approved hospital teaching program. |
| Physical, occupational, and speech therapy. | Covered | | Not applicable | Covered. |
| Medical social services | do | | do | Do. |
| Drugs | do | | Not applicable (except as needed for diagnostic study). | Not covered. |
| Other services and supplies necessary to the health of the patient. | Covered if the hospital customarily furnishes them to its patients. | Covered if generally provided by skilled nursing facilities. | Covered if customarily furnished by the hospital to outpatients for the purpose of diagnostic study. | Medical supplies (other than drugs) and the use of appliances are covered. Also, to the extent permitted by regulations, part-time or intermittent services of a home health aid would be covered. |

*Duration of benefits*

The maximum number of days of inpatient hospital care for which payment could be made during a benefit period would be 45, 90, or 180 days, depending on the combination of duration and deductible selected by the beneficiary. Since some patients need extended skilled nursing care after hospitalization, a maximum of 180 days of skilled nursing care is provided for each benefit period.

Under the proposal, as many as 240 home health visits could be paid for in a calendar year. The limitation placed on the payment of home health benefits is written in terms of visits rather than days. Unlike the institutionalized patient, people receiving home health services do not receive health care on a full-time basis. Home health services involve periodic visits to the patient's home by therapists, nurses, and other professional personnel. The amount of home health service which is covered would be unaffected by whether a variety of services is offered on the same day or different days.

*Deductible provisions*

Beneficiaries who prefer first-dollar coverage could obtain such coverage by electing the 45-day option with no deductible. Those who would rather have protection against the costs of more extended stays and could budget for a modest deductible could choose the 90-day option or the 180-day option. Under the 90-day option the deductible amount would be $10 a day for up to 9 days (with a minimum of $20); under the 180-day option the deductible amount would be the average daily cost of 2½ days of hospital care.

A deductible amount of $20 is also applied against payments for diagnostic services furnished within a 30-day period primarily to reduce costs and to avoid processing a large volume of small claims. Thus the program provides protection against the cost of the more expensive procedures—not only the single expensive test but the series of tests in which costs add up to large amounts.

CONDITIONS FOR PARTICIPATION OF PROVIDERS OF HEALTH SERVICES

One of the keys to determining the nature of the health services which would be paid for under the proposal is the type of institution which may participate in the program. Therefore, the question as to what, for purposes of the proposed program, is a hospital, a skilled nursing facility, or a home health agency is of considerable significance. There are no universally accepted definitions of the various health facilities. The type of institution providing health services on which there is closest agreement on definition is, of course, the hospital. The definiton of a health institution includes within it elements related to the quality and adequacy

of the services which the institution provides. For example, one of the conditions an institution must meet to satisfy the American Hospital Association requirements for listing as a hospital—the same condition which would have to be met before an institution could participate under the program—is provision of 24-hour nursing service rendered or supervised by registered professional nurses. This is one of the characteristics that differentiates a hospital from other institutions; in addition, of course, an institution which does not meet this conditon cannot offer adequate services as a hospital.

The bill therefore spells out the conditions that an institution must meet in order to participate in the program. These conditions offer some assurance that participating institutions have the facilities necessary for the provision of adequate care. Also, the inclusion of these conditions is a precautionary measure designed to prevent the program from having the effect of undercutting the efforts of the various professional accrediting organizations sponsored by the medical and hospital associations, Blue Cross plans, and State agencies to improve the quality of care in hospitals and nursing homes. To provide payments to institutions for services of quality lower than are now generally acceptable might provide an incentive to create low quality institutions as well as an inducement for existing facilities to strive less hard to meet the requirements of other programs.

*Specific conditions for participation of hospitals*

An institution, to meet the definition of a hospital, must (a) be primarily engaged in providing diagnostic and therapeutic services or rehabilitation services, (b) maintain clinical records, (c) have bylaws in effect for its medical staff, (d) provide 24-hour nursing service rendered or supervised by registered professional nurses, (e) have in effect a hospital utilization review plan and (f) be licensed or approved under the applicable local law. In addition, the institution must meet certain health and safety requirements to be established by the Secretary of Health, Education, and Welfare.

These specified conditions provide a basic definition of a hospital and embody minimum requirements of safety, sanitation, and quality. As such, they are fully in accord with the established principles and objectives of professional hospital organizations. The requirement that there be bylaws in effect for the hospital's medical staff—included at the specific suggestion of representatives of the American Hospital Association—is intended to assure that the hospital's staff of physicians would be organized in the professionally acceptable manner characteristic of most hospitals. Such a requirement would encourage the fullest contribution by medical staff to the operation of the hospital and to the quality of medical services furnished by the individual staff members.

Under the bill, hospitals accredited by the Joint Commission on Accreditation of Hospitals would be conclusively presumed to meet all the statutory conditions for participation, save that for utilization review. However, in the event the Joint Commission adopts a requirement for utilization review accredited hospitals could be presumed to meet all the statutory conditions. Linking the conditions for participation to the requirements of the Joint Commission provides assurance that only professionally established conditions would have to be met by providers of health services which seek to participate in the program.

*Health and safety standards*

Under the bill, the Secretary of HEW would have the authority to prescribe conditions in addition to those specifically listed (only, however, in the case of hospitals, to the extent that these conditions have been incorporated into the requirements of the Joint Commission on Accreditation of Hospitals) where such additional conditions are found to be necessary in the interest of the health and safety of beneficiaries. This authority is proposed because it would be inappropriate and unnecessary to include in a Federal law all of the precautions against fire hazards, contagion, etc., which should be required of institutions to make them safe. Payment for services in institutions where there are fire and health hazards could seriously undermine the efforts of State health departments and professional groups to eliminate dangerous conditions in health care institutions.

*States could require higher standards*

The national minimum conditions for participation by providers of health services could vary for different areas and classes of institutions. If a State decided, for example, that all nursing facilities within its jurisdiction should satisfy higher requirements than are stipulated for use generally in all States and requested that certain specified higher requirements be applied with respect to institutions within its jurisdiction, the Secretary of HEW would have the authority to apply these State rules in the Federal program. Thus the Federal program could support the States in their efforts to improve conditions in institutions. In no event, however, could the conditions for participation of hospitals go beyond those required for accreditation by the Joint Commission on Accreditation of Hospitals.

The States would have the function of applying the requirements for participation in the Federal program to the institutions within their jurisdictions. In this way, too, the States would have the opportunity to coordinate their current efforts in appraising the quality of institutions with functions which would be performed under the proposal.

The conditions for participation were framed so that medically supervised rehabilitation facilities could qualify either as hospitals or nursing facilities. Some rehabilitation facilities are for all intents and purposes hospitals and in fact some are licensed as hospitals. Others are more like skilled nursing facilities than hospitals in the extent of their medical supervision, staffing, and scope of service. An institution of either type, which conducts a program of rehabilitating disabled people, could participate in the program by meeting the conditions specified in the bill for a hospital or a nursing facility.

*Mental and tuberculosis hospitals excluded*

Under the bill, institutions providing care primarily for mental or tuberculosis patients are excluded from participation. The main reason for this exclusion is that most of these hospitals are public institutions and are supported by public funds. Nor did it seem reasonable to cover private but not public institutions. It should be kept in mind that the care provided by general hospitals to persons afflicted with mental disease or tuberculosis would be included. If a patient in a mental or tuberculosis institution were to go to a general hospital to receive care, the care would be paid for under the program.

*Requirement for review of utilization of services*

The hospital utilization review plan required for participation in the program must provide for a review of admissions, length of stays, and the medical necessity for services provided as well as the efficient use of services and facilities. Such a review of each admission of a beneficiary must be made within 1 week following the 21st day of each period of continuous hospitalization, and subsequently at such intervals as may be specified in regulations. In the event of an unfavorable finding the review group must notify the attending physician of its findings and provide an opportunity for consultation between the committee and the physician. The utilization review plan of a hospital would also be extended to include review of admissions and length of stays in a skilled nursing facility which is affiliated or under common control with the hospital.

These provisions with respect to utilization review mechanisms follow the kind of recommendations for utilization review that have been made by private study groups, State medical societies, and State agencies. The utilization review requirement in the bill provides that not only would hospital staff reviews meet the requirement but other physician review arrangements outside the hospital would be acceptable for purposes of the program as well. Furthermore, if and when the Joint Commission includes a utilization review requirement for accreditation, accreditation by the Joint Commission could be accepted by the Secretary as sufficient evidence that the provider meets the requirements of the law.

*Conditions for participation of nursing facilities*

To meet the definition of a "skilled nursing facility" an institution (or a distinct part of an institution) must, in addition to being affiliated or under common control with a participating hospital, (a) primarily provide skilled nursing care for patients requiring planned medical or nursing care, or rehabilitation services; (b) have medical policies established by a professional group (including one or more physicians and one or more registered professional nurses) with a requirement that each patient be under a physician's care; (c) be under a physician's or registered nurse's supervision; (d) maintain clinical records; (e) provide 24-hour nursing services rendered or supervised by a registered professional nurse; (f) operate under the utilization review plan of the hospital with which it is affiliated; and (g) be licensed or otherwise be approved as required under applicable local law. Nursing facilities must also meet such conditions essential to health and safety as may be found necessary. Some institutions operating as nursing facilities are not engaged primarily in the furnishing of skilled nursing care for patients who require planned medical or nursing care but rather furnish primarily personal care. However, if a nursing or infirmary section were a distinct part of such a facility and were primarily engaged in providing skilled nursing care, and met the other conditions for participation, this section of the facility would be treated as a skilled nursing facility. Many hospitals, too, have long-term care wings which could participate as nursing facilities.

As in the case of hospitals, these conditions describe the essential elements necessary for an institutional setting in which adequate skilled nursing services are provided. Generally, institutions which provide skilled nursing services to patients who require continuing planned nursing care would be able to meet these conditions. While many existing nursing facilities could not meet these conditions because they generally provide, exclusively or primarily, domiciliary or custodial care and not skilled nursing care the proposal would encourage such facilities to take the necessary steps to qualify.

*Hospital affiliation requirement*

The requirement of hospital affiliation—intended to provide assurance that payment would be made only to skilled nursing facilities having adequate medical supervision—will serve to encourage facilities to enter into arrangements which many experts in health care believe will have (and where attempted have had) success in improving

the quality of their services. A facility would be deemed to be affiliated with a hospital if, by reason of a written agreement, (a) the facility operates under standards, with respect to its skilled nursing services, clinical records, and use of drugs, which are jointly established by the hospital and the facility; (b) arrangements exist for timely transfer of patients; and (c) the hospital's utilization review plan applies in all respects to the services furnished by the facility.

*Conditions for participation of home health agencies*

To meet the definition of a home health agency an organization must (a) be a public agency or a nonprofit organization exempt from Federal taxation under section 501 of the Internal Revenue Code of 1954; (b) be primarily engaged in providing skilled nursing or other therapeutic services; (c) have medical policies established by a professional group (including one or more physicians and one or more registered professional nurses); (d) maintain clinical records; and (e) be licensed or approved under applicable local law. As in the case of hospitals and nursing homes, home health agencies would also have to meet further conditions to the extent they are found necessary in the interest of the health and safety of the patients.

*Home health services covered*

The conditions for participation of home health agencies are designed primarily to provide assurance that agencies participating in the program are basically suppliers of health services. The bill would cover visiting nurse organizations as well as agencies specifically established to provide a wide range of organized home health services. The provision of services under such agencies is now only in the initial stage of development. The services covered are based on the practices of the agencies now in existence which furnish a broad range of organized home health services which may be used as a substitute for continued hospital care. These agencies, while few and generally of recent origin, have established excellent records of operation so that it seems reasonable to expect new providers of services to adopt the pattern of organization found successful thus far. These home health service agencies offer primarily visiting nurse services but many offer other therapeutic services.

PAYMENT TO PROVIDERS

Under the bill, the provisions for paying for covered services follow the recommendations of the American Hospital Association—that is, payments to providers of service would be made on the basis of the reasonable cost of services furnished. The Secretary would be authorized to develop a method or methods of determining costs and to provide for payment on a per diem, per unit, per capita, or other basis, as most appropriate under the circumstances. The principles for reimbursing hospitals developed by the American Hospital Association provide a basis for determining how costs should be computed. However, since the elements of cost are, to some extent, different for different types of providers of health services—for example, hospitals as contrasted to skilled nursing facilities—a number of alternative methods of computing costs are permitted so that variations in practices may be taken into account. In computing reimbursement on a reasonable cost basis, the program would be following practices with respect to reasonable cost reimbursement already well established and accepted by hospitals in their dealings with other Federal and State programs and with Blue Cross.

EXCLUSION OF FEDERAL HOSPITALS

No payment would be made to a Federal hospital, except for emergency services, unless it is providing services to the public generally as a community hospital—a rare situation, but the exclusion of such institutions would be a hardship to beneficiaries in the localities involved. Also, payment would not be made to any provider for services it is obligated to render at public expense under Federal law or contract. The purpose of this exclusion is to assure that Federal hospitals would not be used to furnish care under the program as well as to avoid payment for services which are furnished under other Government programs, to veterans, military personnel, etc. Furthermore, this exclusion would have the effect of reducing future need for Federal hospitals for veterans and retired members of the Armed Forces and place more emphasis on the use of voluntary hospitals for their care.

EMERGENCY SERVICES

Payment could be made to nonparticipating hospitals for emergency inpatient hospital services—or emergency outpatient diagnostic service—if the hospital agrees not to make any charges to the beneficiary with respect to the emergency services for which payment is provided. The proposal does not cover use of the emergency ward for outpatient purposes except where the diagnostic service provision, subject to the $20 deductible, applies.

AGREEMENTS BY PROVIDERS

Any eligible provider may participate in the proposed program if it files an agreement not to charge any beneficiary for covered services and to make adequate provision for refund of erroneous charges. Of course, a provider could bill a beneficiary for the amount of the deductible, and for the portion of the charge for expensive accommodations or services supplied at the patient's request and not paid for under the proposal.

An agreement may be terminated by either the provider of service or the Secretary of HEW. The Secretary may terminate an agreement only if the provider (a) does not comply with the provisions of law or the agreement, (b) is no longer eligible to participate, or (c) fails to provide data to determine benefit eligibility or costs of services, or refuses access to financial records for verification of bills.

ADMINISTRATION

As in the case of other benefits under the social security system, overall responsibility for administration of the hospital and related benefits would rest with the Secretary of Health, Education, and Welfare. Similar responsibility for railroad retirement annuitants rests with the Railroad Retirement Board. Agreements by hospitals and other providers with the Secretary would be made on behalf of both the Secretary and the Board.

The bill provides for the establishment of an Advisory Council to advise the Secretary on administrative policy matters. The Advisory Council, appointed by the Secretary, would consist of a chairman and 13 members who are not otherwise employees of the Federal Government. To assure representation of the health professions, four or more members of the Advisory Council would be persons outstanding in hospital or other health activities.

The Secretary would also be required to consult with appropriate State agencies, National, and State associations of providers of services, and recognized national accrediting bodies. These efforts would be especially oriented to the development of policies, operational procedures, and administrative arrangements of mutual satisfaction to all parties interested in the program. This consultation at the local and national level would also provide additional assurance that varying conditions of local and national significance are taken into account.

ROLE OF THE STATES

Under the bill the Secretary is authorized to use State agencies to perform certain administrative functions. It is expected that the Secretary would exercise this authority fully, and it is believed that all States would be willing and able to assume these responsibilities. State agencies would be used in: (a) determining whether and certifying to the Secretary that a provider meets conditions for participation in the program; and (b) rendering consultative services to providers to assist them in meeting the conditions for participation, in establishing and maintaining necessary fiscal records and in providing information necessary to derive operating costs so as to determine amounts to be paid for the provider's services.

State agencies would be reimbursed for the costs of activities they perform in the program. As in the cooperative arrangements with State agencies in the social security disability program, reimbursement to State agencies for hospital insurance benefits activities would meet the agency's related costs of administrative overhead as well as of staff. In recognition of the need for coordination of the various programs in the States that have to do with payment for health care, quality of care, and the distribution of health services and facilities, the Federal Government would pay a fair share of the State agency's costs attributable to planning and other efforts directed toward the coordination of the agency's activities under the proposed program.

What is contemplated in administration of the insurance program is a Federal-State relationship under which each governmental entity performs those functions for which it is best equipped and most appropriately suited. State governments license health facilities and State public health authorities generally inspect these facilities to determine whether they are conforming with the requirements of the State licensure law. In addition, State programs purchase care from providers of health services. On the basis of experience and function, State agencies would assist the Federal Government in determining which providers of health services conform to prescribed conditions for participation. Furthermore, where an institution or organization that has not yet qualified needs consultative services in order to determine what steps may be appropriately taken to permit qualification, such consultative services would be furnished by the State health or other appropriate State agency. Other types of consultative services closely related to conditions of the hospital benefits program or similarly related to State programs and requirements should logically be provided for or coordinated in the State agency. There may, of course, be situations where a State is unwilling or unable to perform some or all of these certifications and consultative services. In any such situation, the Secretary will have to make other provisions to carry on these activities.

ROLE OF PRIVATE ORGANIZATIONS

The bill would provide the opportunity for considerable participation by private organizations in the administration of the program. Groups of providers, or associations of providers on behalf of their members, would be permitted to designate a private organization to act as an intermediary between themselves and the Federal Government. The designated organization would determine the amounts of payments due upon presentation of provider bills and make such payments. In addition, such organizations could be authorized, to the extent the Secretary considers it advantageous, to perform other related functions such as auditing provider records and assisting in the application of utilization safeguards. Such activities are likely to prove advantageous where private organizations have developed experience and skill in these activities. The Government would provide advances of funds to such organizations for purposes of benefit

payments and as a working fund for administrative expenses, subject to account and settlement on a cost-incurred basis.

The principle advantage hospitals and other providers of services would find in an arrangement of this sort would be that the policies and procedures of the Federal program would be applied by the same private organizations which administer the existing health insurance programs from which providers now receive payments. The participation of Blue Cross plans and similar third-party organizations would have advantages that go beyond the benefits derived from their experience in dealing with various types of providers of services. Such private organizations, serving as intermediaries between the Government and the providers, would reduce the concern expressed by some people that the Federal Government might try to interfere in hospital affairs.

OPTION TO INDIVIDUAL TO OBTAIN PRIVATE INSURANCE

A guiding principle in the formulation of the program is the desirability of encouraging private insurance to play the same complementary role to hospital insurance for the aged under social security that it has played under the retirement, death, and disability benefit provisions of the social security program. It was in part because of this principle that the decision was made to provide a program oriented toward meeting only the major costs of hospitalization. It was assumed that with social security providing basic protection of this form beneficiaries would obtain additional private supplementary protection and private carriers would seek to provide such protection. While the hospital insurance protection that would be provided by social security would be significant and substantial, it would not cover all of the health costs that are capable of being insured against.

Under the bill, therefore, the Secretary would be required to consult with and furnish assistance to providers of services, private insurance carriers, State agencies and other appropriate private and public organizations in order to encourage and help them to develop and make generally available to the aged supplementary private insurance protection.

FINANCING

To pay for the proposed hospital insurance benefits for persons under the social security system, the social security contribution rate would be increased by one-fourth of 1 percent each for employees and employers and four-tenths of 1 percent for the self-employed; the amount of earnings subject to contributions would be increased from $4,800 to $5,200 a year. The additional income to the program would be allocated for hospital insurance, except for that part of the income from the increased earnings base which would be allocated to pay for higher old-age, survivors, and disability insurance monthly benefits for persons earning over $4,800 a year. The amount of a social security benefit is based on the worker's average earnings covered under the program. With an increase in the covered earnings to $5,200, a worker's maximum monthly cash benefit would ultimately rise to $134 instead of $127 and the maximum family benefit to $268 instead of $254 as under present law.

The following examples illustrate the effect of the proposed changes in the contributions: A worker earning $2,400 a year would pay an additional $6 a year and a worker earning $4,800 an additional $12 a year. A worker earning $5,200 or more would pay an additional $27.50 a year, of which $17.68 would go for hospital insurance.

A corresponding increase would be made in the contribution rates under the Railroad Retirement Act to pay for the hospital insurance benefits for persons covered under that act. The cost of the benefits for persons not insured under the social security or railroad retirement systems would be borne by general revenue of the Treasury.

*Separate trust fund*

Under the proposal there would be a separate trust fund for the hospital insurance program, in addition to the present old-age and survivors insurance trust fund and the disability insurance trust fund. Under the proposed law, hospital insurance benefits could be paid only from the hospital insurance trust fund, just as under present law disability insurance benefits can be paid only from the disability insurance trust fund.

The income to the hospital insurance trust fund is estimated actuarially to meet the costs into the indefinite future. Estimated contribution income to the new trust fund for 1965 would total $1.4 billion and estimated expenses $1 billion. Payments made on behalf of persons who are not eligible for social security or railroad retirement benefits would not be made from the trust fund but directly from general revenue of the Treasury.

EFFECTIVE DATES

The increases in social security contribution rates and in the amount of annual earnings subject to contributions would take effect on January 1, 1965. Benefits would be payable for covered hospital and related health services furnished after that date, except for skilled nursing facility services, for which the effective date would be July 1, 1965.

CONCLUSION

Very properly there has been considerable interest in the effect that a social security hospital insurance program would have on the quality of medical care. A number of our Nation's leading physicians and educators believe that, to the extent that it would have any effect on medical care, the proposed program would lead to medical care of higher quality.

In a statement issued by the Physicians Committee for Health Care for the Aged Through Social Security, these doctors made the following points:

"First, a health insurance program for the aged financed and administered through social security would greatly assist the aged to get better health care. The fear that a large hospital expense may be in the offing undoubtedly deters many older people from seeking needed care. Also, the patient's finances would be less a consideration in the physician's decision to advise hospitalization, posthospital convalescence in a skilled nursing facility, home health services, or an expensive diagnostic series. By removing some of the economic deterrents to obtaining appropriate care, the measure would promote earlier utilization of health services.

"Second, the measure would be an incentive to improvement in the quality of care provided by nursing homes. About 40 percent of nursing home beds have been classified by States as unacceptable on the basis of fire and health hazards. Many other nursing homes provide inadequate nursing care. With participation in the proposed health insurance program open only to skilled nursing facilities with a hospital affiliation, those participating would serve as much-needed models for the improvement of other nursing homes.

"Third, the principle of free choice of institution would be made more meaningful, and continuous supervision of patient care by private physicians would be facilitated. The county hospital for indigents, with choice limited to county physicians, would no longer be the fate of many elderly people.

"Finally, by paying for the full, reasonable cost of the covered hospital services the elderly receive, the proposed program would put hospitals on a much more solid financial footing and make improvements possible that the hospitals now cannot afford."

## SEMIANNUAL REPORT OF OFFICE OF MINERALS EXPLORATION, SECRETARY OF THE INTERIOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Interior and Insular Affairs.

*To the Congress of the United States:*

I transmit herewith the Ninth Semiannual Report of the Office of Minerals Exploration from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its territories and possessions by encouraging exploration for minerals, and for other purposes."

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 21, 1963.*

## IMPORTATION OF RESIDUAL OIL

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WHALLEY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. WHALLEY. Mr. Speaker, I am greatly concerned about the recommendation of the Office of Emergency Planning in the matter of imported residual oil.

Our coal producing areas in the United States are experiencing depression and great unemployment, and if Mr. McDermott's recommendation is carried out, this Nation will be dependent upon outside sources for our national fuel needs and eventually our petroleum industries will join the coalfields in their present plight.

There is much more than meets the eye when we consider further relaxing controls on residual oil. To further relax the import controls on residual oil would not only be creating a critical emergency for all domestic fuels but could be a detriment to the free world in our economic battle with the Soviet Union.

I have contacted both the President and the Department of Interior to express my views since being advised of Mr. McDermott's recommendation to further relax controls on foreign residual oil.

A letter signed by 102 Members of the House of Representatives representing 24 States and both political parties, and including members of every standing committee of the House, was sent to the President by President Moody of NCPC urging that controls on imports of residual oil be retained, strengthened, and

made effective. The letter further declared:

> The coal, railroad, and related industries, and those millions of people dependent directly and indirectly upon them for a livelihood, urgently need assurances that the residual import control program will be retained and strengthened.

I was one of the signers of that letter.

The enormous recent increase in residual oil quotas for this quarter, and the subsequent recommendation by the Office of Emergency Planning that residual import controls should be even further relaxed is a threat not only to the people of my State of Pennsylvania but a threat to the entire Nation.

I join with President Moody, of the National Coal Policy Conference, and am in complete agreement with his statement:

> The recommendations of the Office of Emergency Planning, if accepted by the President, will constitute the most serious blow that this administration has so far dealt the men and their families of the coal and related industries.

## PRESERVING THE MOUNT VERNON OVERVIEW

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, as the vice regent from Ohio of the Mount Vernon Ladies Association of the Union, I want the Congress to have a progress report of what is actively being done today in memory of George Washington, whose home, Mount Vernon, is this Nation's most significant and beloved shrine.

During the past 20 years, many individuals, groups, and State and Federal Government agencies have been concerned with preserving the Maryland shore opposite Mount Vernon for the view that General Washington loved so well.

These groups interested in preservation had recognized the national significance of this area and had tried, by private means, to preserve it. In addition to the scenic vistas from Mount Vernon, Fort Washington, and the George Washington Memorial Parkway, this section of the Maryland shore is a valuable historic and even prehistoric site. It is an area rich in its endowment of other natural features.

In 1960 a proposal to construct a sewage treatment plant on this historic land was announced by the Washington Suburban Sanitary Commission. It was apparent that some immediate action was necessary to preserve the nationally significant values of this area from inevitable destruction by undesirable residential, commercial, and industrial development.

Legislation for preservation and protection of the area was introduced into the Congress in the summer of 1961. Hearings were held. The Congress recognized the need, and we can all be proud that the act was passed without a dissenting vote within 60 days after it had been introduced, and it became Public Law 87–362.

Last year in the closing minutes of the 87th Congress further action brought a compromise appropriation of $213,000 toward the $937,000 governmental cost of saving the natural and unimpaired view from Mount Vernon.

An additional $1 million in land value is being contributed, by private foundations and individuals. This will more than match the governmental investment.

I had the honor, as president of the Accokeek Foundation, to present Secretary Udall with the first 151 acres of this waterfront land. In presenting the deed, I said:

> The trustees are honored to share with the U.S. Government the responsibility for protecting and preserving this historic stretch of yet unspoiled Maryland shoreline. We have held this property in trust for the people of the Nation. We know that the Department of the Interior will carry on that trust.

In accepting the deed Secretary Udall said:

> The gift from the foundation is the latest proof of how it serves so well the purpose in its chapter, "to preserve the present wooded and open character of the approaches to the city of Washington along the Potomac River" opposite Mount Vernon. With this public-spirited donation, and the recent approval by the congressional Appropriations Committees of funds to acquire 133 acres on Mockley Point, we have the nucleus for the new park.

The entire park site is of historic interest, with existing archeological evidence of human habitation for 5,000 years. The park area also contains exceptionally fine plant and animal habitats in great variety, while Mockley Point, to which the Secretary referred, is the only sandspit habitat in the entire National Capital region.

Under Public Law 87–362, the Interior Department was authorized to acquire 1,152 acres of land, by purchase or gift, for the National Park Service, thereby enabling the Park Service to create this new park and preserve the view from Mount Vernon, Fort Washington, and the George Washington Memorial Parkway.

The Department of the Interior now has a responsibility to acquire only 548 acres, in addition to the 133 acres at Mockley Point for which the Congress has already provided funds.

It is obvious that our work is unfinished. The Mount Vernon-Fort Washington view is just one-quarter saved, and the remainder of the land is still threatened.

The Washington Suburban Sanitary Commission which bitterly fought the original law and the partial appropriation maintains that it is still free to proceed with the construction of the sewage plant anywhere but on Mockley Point, because the Congress did not appropriate all the funds last year.

They have stated that they will proceed with the construction of the plant a few hundred yards from the original site, still in view of Mount Vernon. As recently as yesterday, this sanitary commission intimated again its intent to block action in the Maryland Legislature to provide for an alternate site.

The problem therefore resolves itself as one between those national interest groups who hold in reverence the beauty of our heritage and a few local land speculators who think only of quick personal gain.

The President has asked the Congress for the funds to complete the job.

Secretary Udall has given assurances that he will fight off any interim action by the sanitary commission to seize the land before the Congress can act.

This assurance is heartening, but it is not enough. Only the Congress has the power to appropriate the funds to secure this land and this view from Mount Vernon for the people of this Nation.

On this most appropriate day when we are commemorating the birthday of that heroic soldier and statesman whose efforts on behalf of this Nation stand unmatched, the 88th Congress should take just pride in its efforts to protect some part of George Washington's home, our Nation's birthright, by appropriating the amount now necessary to secure for all time to come this irreplaceable heritage.

## FORTY-FIFTH ANNIVERSARY OF THE DAY ON WHICH LITHUANIA WAS DECLARED A FREE AND INDEPENDENT NATION

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, today is the 45th anniversary of the day on which the Republic of Lithuania was declared a free and independent nation. Of course, Lithuanian statehood does not date from 1918, for as early as A.D. 1200, a free sovereign nation flourished in Europe.

America knows something about the rich culture and fine people who once lived in a free Lithuania, because there are over 1 million Lithuanians in the United States today. In my own city of Cleveland there are almost 45,000 descendants who are daily contributing to the progress of the community.

The free, democratic Republic of Lithuania established in 1918 was admitted to the League of Nations and functioned as a model country for 22 years. The betrayal, you will recall, came in 1939 with the conclusion of the treacherous Nazi-Soviet nonaggression pact. Despite solemn treaty obligations the U.S.S.R. ruthlessly conquered the three Baltic states of Lithuania, Latvia and Estonia. The United States has never recognized this forcible seizure of these three defenseless nations. Indeed, it is ironic but significant that East European nations with centuries of culture and nationhood behind them should be colonies

of the Soviet Union just as the Asian and African peoples are emerging from colonialism.

America has an obligation constantly to bring this new form of imperialism before the bar of world opinion. We must also recognize that slavery anywhere diminishes freedom everywhere. As a nation carved out of a bloody revolution we Americans know that tyrants are not eternal and the will of people cannot be indefinitely subjugated. Freedom will come again to Lithuania just as surely as it came to America.

## CONSERVATION NEEDS—THE DISTRICT TRIP

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD.

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

There was no objection.

### POLICY AND INTEREST

Mr. SCHWENGEL. Mr. Speaker, it is my policy every year to spend a day in each county of my district after election and to talk to anyone who cares to come and visit with me. This year I arranged to meet with SCS and ASC representatives for an hour or two in each county. I can say without any reservations that these meetings were a stimulating and educational experience for me. As my friend and colleague from Iowa, the Honorable BEN JENSEN, I have long had an interest in the importance of conserving our natural resources, though I am not pretending to match his record in this area. Certainly soil and water are our most important natural resources. When you go out and talk to the people who work every day on conservation problems, and I can assure the committee that there are many able and dedicated men at the grassroots level doing a wonderful job, one sees clearer the significance of conservation. These are men who work long and patiently, and often under difficult circumstances. I would certainly advocate to my fellow Congressmen a trip such as this.

### NEEDS

It is my opinion, after traveling through my district, that we must step up our efforts in conservation in the areas that now have fertile soil. Reclamation projects may be important, but it is my opinion that this should not lead us to abuse and forget the best soil we now have, soil that we will desperately need with a growing population. It just does not make sense to me to let this soil, so vitally important for the welfare of our country, float down our rivers, or to let water rip scars in the countryside.

### REPORT OF SUGGESTIONS

I am giving the committee a report of suggestions we received from these local leaders. We have made no attempt to appraise or correct these suggestions. We have only tried to organize the material to some extent that we received from the 12 counties we visited. The attempt here is to give a partial picture of just what the thinking is at the grassroots level.

I believe it will be clear from this report that the small watershed program should be stepped up. This will mean more appropriations for ACP funds to prepare areas for watershed development. It will mean increased aid for SCS for men and funds to develop these programs. When I ask for more funds I do not do it lightly. Nor do great conservation leaders like BEN JENSEN take the spending of public funds lightly. But we in Iowa are also very much concerned with one of the basic factors in the life process—the ability to produce food and clothing. And if we are to produce food for a growing population and maintain our world superiority in this respect I believe that a greater, and speedy, investment in soil conservation is essential.

### FUNDS

ACP and SCS funds are used to aid local initiative in conservation measures and are not a means of Federal control. I regret, and must admit I fail to understand why, our current and previous Presidents have called for reduction of ACP funds. That there are areas of Federal spending that are highly questionable I will certainly agree with; what I fail to understand is why funds for programs so vital to preserving soil and water—essential to the life process itself—are the first ones to get the ax. It may be that there are some areas of annual practices under the ACP program that are more for production than conservation and are hence questionable. If this is true I then say to cut out these practices—but cut them out without reducing the amount of appropriations for the ACP programs. I can assure the committee that the funds saved on some of these annual practices—liming, tearing down stone fences, and so forth—could be used for very permanent practices such as terracing, erosion dams, and so forth, that are now delayed because of lack of funds.

### NATIONAL SOIL TILTH CENTER AT AMES

Finally, I would just like to ask the committee to consider again this year funds for a National Soil Tilth Center, to be located in Ames, Iowa. Such a center has been long advocated by leading scientists in this field.

### SUMMARY OF CONSERVATION MEETINGS IN IOWA, 1962

The following is an attempt to summarize the suggestions we received from conservation leaders in the First District of Iowa. Our meetings with these leaders dealt with the problems of developing good conservation practices in general, in each county, with the emphasis placed on factors leading to the development of a watershed program. The suggestions received are set down here in outline form and no attempt is made to evaluate the merit of the various suggestions and statements. That there are paradoxes and contradictions between the various statements in the outline will soon be noted. Some of the suggestions were mentioned once, others at almost every meeting. It should be noted, however, that the lack of funds and technical help was considered crucial in developing a sound conservation program. To a great extent—though not completely—suggestions that pertain to other factors such as selling the program and the mechanics of implementing a program lose their significance if appropriations are not increased.

The suggestions are grouped in three general categories for convenience only; the interdependence of the various factors in soil and water conservation prevents any clear categorization:

#### SUMMARY OF SUGGESTIONS

I. THE FARMER'S ROLE AND THE FEDERAL GOVERNMENT'S ROLE IN FINANCING CONSERVATION PROJECTS

(a) Financial problems; the lack of ACP–SCS funds, etc.:

1. Larger watershed projects are slowed down by lack of ACP funds to achieve basic conservation practices.
2. Lack of funds leads to a situation where conservation projects are ruined by unfinished projects or noncooperator's land.
3. Lack of funds to hire necessary technical personnel; often technical men waste time where semiskilled men could do the job.
4. There is a need for more funds for erosion dams.
5. There is a need for a reevaluation of the requirements on cost-benefit ratio on differences in the amount of bottomland involved—and where absent.
6. Need for a higher ratio of Federal aid for erosion dams; group projects that are not part of a major watershed development.
7. The bad financial status of many farmers who have borrowed heavily from FHA, etc., slows up conservation work after a certain point.

(b) Suggestions on helping the financial problems involved.

1. More ACP funds and funds for SCS.
2. Do not try to sell these programs until the funds are available.
3. Lay out ACP funds so it all doesn't have to be accounted for in 1 year.
4. The 5 percent of the ACP fund earmarked for SCS should be taken out at the national level and given directly to the county unit.
5. Demonstrate clearly to the farmer who pays what on a watershed project.
6. Offer a better ratio on individual and group enterprise projects for erosion type dams (80–20 percent).

II. ADMINISTRATIVE AND TECHNICAL FACTORS SUGGESTED

(a) Administrative and technical problems.

1. Lack of understanding by laymen of what has to be done on farm plans before starting a watershed.
2. Lack of understanding of State laws and the State's role in watershed development.
3. Lack of understanding of the changes in knowledge about soil and water conservation.
4. The problem of getting easements.
5. The problem of setting up priorities—public pressure for tile and lime.
6. The misunderstanding between Army engineers and conservation people on local and State level. (This is improving.)
7. Lack of permanent interest in a watershed structure built by the Government; Government projects at times conflict with conservation as a personal matter.
8. The length of time required to develop a watershed cripples the original enthusiasm.
9. Agency conflicts—the need for leaders or recreation projects to cooperate more with SCS; need for community cooperation for conservation in general.

10. Lack of contractors for smaller dam projects.

11. The difficulty of explaining the cost of maintenance for watershed structures.

12. The difficulty of qualifying under Public Law 566 in eastern Iowa—prosperity makes it hard to qualify for a watershed. Gradual erosion is serious but lacks the dramatic impact of gullies in rough land. Emphasis higher up stresses development of worst land—technicians are sent to these areas first.

13. A watershed needs concentrated effort and contradicts covering the whole county.

14. The length of time involved and difficulty of qualifying for a watershed prevents SCS from pushing a watershed for fear rest of conservation program will suffer.

15. Need for more colleges having proper training programs for technical men and the need for better recruiting methods.

16. In establishing priorities for ACP funds and throwing out questionable practices one county is penalized in relation to others.

17. The problems involved in developing a watershed where both rural and urban land involved.

(b) Suggestions for solving technical and administrative problems.

1. More technical men for SCS or aids to technical personnel, and better pay for these men. This is considered basic.

2. Create a job of salesman-watershed specialist—well acquainted with all the techniques of watershed development; this man would devote his time exclusively to developing a watershed.

3. Develop to a greater extent erosion dams to close the gap between everyday work and a watershed development. A better financial arrangement on this is needed. Get a few farmers to cooperate and develop a group enterprise with ACP funds. Require other conservation practices and then give more for dams (80–20 percent).

4. Develop a system of priorities that emphasize sound conservation methods starting "at the top of the hill," but too many teeth in a law on this would hurt public relations and need for flexibility.

5. Divide into smaller groups in a watershed area to go over the problems of watershed development—subwatershed areas.

6. Change the emphasis of extension service to watershed development.

7. Concentrate on one area so it can be finished before it is ruined by land not under conservation methods.

8. Give money to the Interstate Highway System only when highway commission has checked with local conservation people.

III. PUBLIC RELATIONS—SELLING CONSERVATION TO THE INDIVIDUAL AND COMMUNITY

(a) Problems in selling the program.

1. The possibility of greater Government aid in the future prevents some from investing in smaller projects now.

2. The farms that need conservation most are operated by those who can least afford the investment.

3. Town employees who live in the country and own pastureland lack interest. In other areas, however, these men are best.

4. The problem of liability for accidents on structures, ponds, etc.

5. Problem of keeping the project sold.

6. Fertilizer obscures the need for conservation.

7. ASC and SCS lack ways and means of selling programs.

8. Fear taxes will go up for maintenance of watershed structure. Troubles with rest of county and supervisors.

9. Conservation emphasized most in poor sections of State and the best land is neglected.

10. Recreation costs are charged to agriculture (also foreign aid, etc.).

11. Politics in agriculture hurts conservation programs—the conflict of farm organizations, political parties, changing farm programs leads the farmer to feel he is a political football and soon gets disgusted with any and all Government programs.

(b) Aids in public relations:

1. Show specific figures to individual farmers on cost-benefit basis of program as well as showing him the national benefits. Show a rough cost sheet of what he has to pay and an estimate of individual financial benefits.

2. Show the results of a watershed development in a completed area.

3. Use Agriculture Department films, area photos, TV for films and interviews with conservation leaders, and newspapers. (Especially dailies and on a personalized basis "William's Wonderings" to demonstrate need and benefits.) Tours to completed areas.

4. Clarify and define responsibilities for structures after completion and estimate the cost to the farmer.

5. The individual farmer can do most in an area to promote and coordinate interest in a watershed program—one farm example a good seller.

6. Offer a bonus (5 percent) to farmers in an area after a watershed development is completed.

7. Sell on future needs in the more prosperous areas.

8. Show loss of land by erosion as a matter of fences closing in.

9. Promote interest in local schools.

10. Educate the town people by giving them a clearer idea of the farm problems as well as conservation in general.

11. Provide a good analysis of just where we are in agriculture in 1963 in laymen's terms.

12. Try to improve Public Law 566 to shorten length of time to get a project moving.

13. Make all-out effort to get off dead center.

---

## ADJUSTMENT OF LEGISLATIVE JURISDICTION EXERCISED BY UNITED STATES

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, I have today introduced two bills dealing with the subject of the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes.

These bills are identical to similar measures sponsored by me in the 87th Congress; namely, H.R. 8539 and H.R. 8540.

One bill is concerned with the subject of adjustment in general. The second deals specifically with jurisdiction over the Iowa Ordnance Plant reservation in my own State.

The general subject matter with which these bills are concerned is not unknown to Congress. The problem of the adjustment of Federal and State jurisdiction over so-called "Federal enclaves" was intensively studied by the Executive Branch Interdepartmental Committee for the Study of Jurisdiction Over Federal Areas Within the States during the midfifties. The Committee was appointed by the President for the purpose of finding means of solving the problems arising out of the uncertain jurisdictional status of Federal lands situated within the several States. It was composed of representatives of eight executive departments and agencies including the Bureau of the Budget. Twenty-five other Federal agencies furnished information concerning their properties and problems relating to legislative jurisdiction to the Committee. In addition, the Interdepartmental Committee had the assistance and cooperation of the National Association of Attorneys General in its conduct of the study.

Bills to implement the Committee proposals were introduced in both the House and the Senate in the 84th Congress, and these received thorough analysis and consideration from the State Governors and attorneys general as well as from the State Committee on Legislative Jurisdiction of the Council of State Governments, a committee specifically created to study the proposals and bills.

Various amendments suggested by these sources and from sources within the Federal executive branch were incorporated into a new bill introduced in the Senate in the 85th Congress. This bill passed the Senate and was referred to the House but was recalled to the Senate on a motion for reconsideration in March 1958.

Bills similar to the one introduced in the 85th Congress were introduced in both the House and the Senate in the 86th Congress. The Senate bill was passed by that body, with one amendment, on May 27, 1960, but failed to receive consideration in the House.

In the 87th Congress bills identical to that approved by the Senate in 1960 were sponsored by Senator MCCLELLAN and others in the Senate and, by myself, in the House.

I have today reintroduced the general measure as well as one relating to the Iowa Ordnance Plant reservation.

Mr. Speaker, the purpose of my proposed general bills is to permit Federal agencies to restore to the States certain jurisdictional authority now vested in the United States which may be better administered by State authorities, and to establish as congressional policy that the Federal Government will acquire only such jurisdiction as may be necessary in connection with future land procurement.

The authority of the Federal Government to acquire and govern Federal enclaves stems from article I, section 8, clause 17 of the Constitution. This clause provides that the Federal Government shall have exclusive legislative jurisdiction over such area not exceeding 10 miles square as may become the seat of government of the United States "and like authority over all places acquired by the Government, with the consent of the State involved, for Federal works."

Under this clause numerous properties have been secured by the Federal Government for post offices, arsenals, damns, roads, and so forth. But, along with such control have come problems of jurisdiction and administration to such an extent that, as the Interdepartmental Committee report pointed out:

This whole important field of Federal-State relations is in a confused and chaotic state.

In illustration of this statement, the report declared:

The Federal Government is being required to furnish areas within the States over which it has jurisdiction in various forms governmental services and facilities which its structure is not designed to supply efficiently or economically. The relationship between States and persons residing in Federal areas in those States is disarranged and disrupted, with tax losses, lack of police control, and other disadvantages to the States. Many residents of federally owned areas are deprived of numerous privileges and services, such as voting and certain access to courts, which are the usual incidents of residence within a State.

And, to compound the confusion, there is no overall policy respecting the scope and extent of Federal legislative jurisdiction over such areas. In part, this is the consequence of the application of differing approaches to the problem during our Nation's history.

During the first 50 years of our existence the practice of the Federal Government was generally merely to purchase the lands upon which its installations were to be placed and to enter into occupancy for the purposes intended, without also acquiring legislative jurisdiction over the lands.

This practice terminated in 1841, when as the result of a controversy between the Federal Government and the State of New York, Congress adopted a joint resolution providing that thereafter no public money could be expended for public buildings—public works—on land purchased by the United States until the Attorney General had approved title to the land, and until the legislature of the State in which the land was situated had consented to the purchase.

Following this, most States, in order to facilitate Federal construction within their boundaries, enacted statutes in the ensuing years consenting to the acquisition of land—frequently any land—within their boundaries by the Federal Government. These general consent statutes had the effect of implementing clause 17 and thereby vesting in the United States exclusive jurisdiction over all lands acquired by it in the States. The only exceptions were cases where the Federal Government plainly indicated, by legislation or by action of the executive agency concerned, that the jurisdiction proffered by the State consent statute was not accepted.

This practice of divesting the States, with their consent, of legislative jurisdiction over numerous and large areas of land acquired by the Federal Government, lasted for about a century. When, however, the Federal Government's acquisition of fairly large amounts of State lands in the 1930's brought an awareness of loss of tax revenues to State and local treasuries and reduction of State and local authority over such lands, numerous States began to repeal their general consent statutes and in some cases, to replace them with so-called "cession statutes." Under these, some measure of legislative jurisdiction was specifically ceded to the United States while, at the same time, certain authority was reserved to the State. Included among the reservations in such consent and cession statutes were the right to levy various taxes on persons and property situated on Federal lands and on transactions occurring on such lands; criminal jurisdiction over acts and omissions occurring on such lands; certain regulatory jurisdiction over various affairs on such lands such as licensing rights, control of public utility rates, and control over hunting and fishing; and the most complete type of reservation—a retention by the State of all its jurisdiction while concurrently granting all jurisdiction, or some measure of jurisdiction, to the Federal Government.

But the States, of course, could not unilaterally retrieve from the Federal Government authority to exercise exclusive legislative jurisdiction which had already been ceded to that Government. Such would require a retrocession by the Federal Government and that Government in fact, during the thirties, relinquished to the States the authority to tax sales of motor vehicle fuels, to impose sales and use taxes, and to levy income taxes on residents of Federal enclaves. These retrocessions were applied to areas previously acquired as well as to future acquisitions.

Then, in February 1940, an amendment to section 40, United States Code, title 255, was enacted by the Congress which eliminated the requirement for State consent to any Federal acquisition of land as a condition precedent to expenditure of Federal funds for construction on such land. This amendment ended the 100-year period during which nearly all the land acquired by the United States came under the exclusive legislative jurisdiction of the Federal Government.

Since that date States continued to repeal their general consent statutes until by 1956, only 25 still proffered exclusive legislative jurisdiction to the Federal Government by a general consent or cession statute. At the same time, many Federal administrative agencies tended not to exercise exclusive legislative jurisdiction over acquired lands.

But the situation today is one of confusion resulting from the application of varied theories of Federal jurisdiction over acquired lands during differing periods of our history. The post-1940 tendencies, for example, have not had any substantial effect on the bulk of properties as to which jurisdiction was acquired by the United States prior to 1940. And, once legislative jurisdiction has vested in the United States, it cannot be revested in the State, other than by operation of some limitation or reservation in the State consent, except by or under an act of Congress.

Congress has acted, mainly, only to authorize imposition of the specific State taxes already mentioned, to permit States to apply and enforce their unemployment compensation and workmen's compensation laws in Federal areas, and to retrocede to the States jurisdiction over a mere handful of properties—generally involving only a retrocession of concurrent criminal jurisdiction with respect to a public highway traversing a Federal reservation, for instance.

This hodgepodge at present has resulted in the Federal Government possessing: (a) exclusive, (b) concurrent, (c) or partial legislative jurisdiction, or (d) a proprietorial interest only, in lands it has acquired, and in each instance different legal characteristics accompany each particular kind of jurisdiction.

In its Senate Report No. 405, 86th Congress, 1st session, the Senate Committee on Government Operations expressed its opinion:

In general the Federal Government should not receive or retain any legislative jurisdiction within federally owned or operated areas which might be exercised by the States; that in some special cases where general law enforcement by Federal authorities is indicated the Federal Government should receive or retain legislative jurisdiction only concurrently with the States; and that, in any case, the Federal Government should not receive or retain any legislative jurisdiction with respect to qualifications for voting, education, public health and safety, taxation, marriage, divorce, annulment, adoption, commitment of the mentally incompetent, and descent and distribution of property normally exercised by the States.

In certain instances, however, which are not entirely foreseeable, it may be necessary or highly desirable for the Federal Government to have some greater measure of legislative jurisdiction over individual properties, and discretion in this matter should be lodged, as it has long been, in the heads of Federal agencies. It is also the view of the committee that in every case States should have authority to enter any Federal area for the purpose of serving process, provided that service is accomplished at a time and manner which will not interfere with the carrying out of Federal functions, and that residents of Federal areas should not be deprived, solely by reason of such residence, of civil or political rights to which other citizens of the respective States in which such Federal areas are located are entitled.

These policies are likewise the recommendations of the Interdepartmental Committee and they are the policies which my bill proposes to effectuate.

The bill would provide guidelines and establish overall Federal policies respecting the exercise of Federal and State jurisdiction over lands heretofore or hereafter to be acquired by the Federal Government. If carried out, these policies should enable many residents on such Federal enclaves to vote, send their children to public schools, secure divorces, have access to State courts and otherwise enjoy the privileges and benefits which are possessed by their neighbors in the States where the Federal enclaves are situated.

Enactment of the bill would not automatically change the legislative jurisdictional status of any land but would merely permit the status of individual areas to be adjusted on a case-by-case basis where such adjustment is agreeable to both Federal and State authorities. Relinquishment of legislative jurisdiction would not affect the title of the Federal Government to any land, nor would it affect the right of the Federal Government to carry out Federal functions on its land, Federal functions would continue to be completely and solely under Federal control.

The bill specifically declares it to be the policy of Congress that, first, the Federal Government shall receive or retain only such measure of legislative

jurisdiction over federally owned or operated land areas within the States as may be necessary for the proper performance of Federal functions; and, second, to the extent consistent with the purposes for which the land is held by the United States, the Federal Government shall avoid the receiving or retaining concurrent jurisdiction or any measure of exclusive legislative jurisdiction. An overall and fundamental objective of the bill is to provide that, in any case, the Federal Government shall not receive or retain any of the State legislative jurisdiction—as previously mentioned—with respect to the qualifications for voting, education, public health and safety, taxation, marriage and divorce, descent and distribution of property, and a numerous variety of other matters which are ordinarily and naturally the subject of State control.

The bill would authorize the head or other proper official in any Federal department or agency to relinquish to the State in which any Federal lands or interests therein under its custody or control are situated, such measure of legislative jurisdiction over such lands or interests as he may deem desirable. As regards future acquisitions of property, it is provided that no more jurisdiction than shall be necessary for the proper performance of the functions of the acquiring agency should be obtained. Of course, any relinquishment or retrocession of the Federal Government will be subject to acceptance by the State in such manner as the law of such State might provide.

In addition, the bill would authorize the heads of Federal departments and agencies to issue necessary rules and regulations for the governing of public buildings and other areas under their control and to provide reasonable penalties, within prescribed limits, as will insure their enforcement; permit such heads to utilize the facilities of existing Federal and/or State or local law-enforcement agencies for the enforcement of any such regulations; authorize the General Services Administration upon request, to detail special policemen for the protection of Federal property under the charge of other departments and agencies; extend the authority of the U.S. commissioners to try and sentence persons committing petty offenses in any place under the charge and control of the United States; extend the right of States and their political subdivisions to serve and execute process in areas under the legislative jurisdiction of the United States, but conditioning such service as to avoid conflicts with rules and regulations issued by authorized Federal personnel for the purpose of preventing interference with the carrying out of Federal functions; and, to amend or repeal obsolete or inconsistent Federal statutes.

The bill is not concerned with tax matters, except to the extent that a transfer of legislative jurisdiction may involve transfer of a power to tax—other than the Government or its property—and also to the extent that there are preserved certain Federal consents to State and local taxation as are embodied in prior Federal statutes.

This bill has generally received the favorable support of such institutions, among others, as the Council of State Governments, the TVA, the Bureau of the Budget, the National Association of Tax Administrators, the Advisory Commission on Intergovernmental Relations, the National Association of County Officials, the Department of Justice, the Veterans' Administration, the Department of Commerce, the Department of Labor, the Department of Defense, the Post Office Department, the Department of Agriculture, the AEC, the FAA, the Department of the Interior, the Department of Health, Education, and Welfare, and the NASA.

My second bill would confer on the State of Iowa, the exclusive civil and criminal jurisdiction including the right of suffrage, now possessed by the Department of Defense over the Iowa Ordnance Plant reservation, at Burlington, Iowa.

Senate Report 405, supra, contained the following succinct description of the plight of residents of the Iowa Ordnance Plant reservation, and I do not believe that anything further need be added.

The lead sentence of an Associated Press dispatch dated April 2, 1959, stated:

DES MOINES.—People who live on Federal property at the Iowa Ordnance Plant west of Burlington have made the belated discovery that maybe they are not residents of Iowa, are not supposed to vote in elections, but are expected to pay State income taxes.

The Senate report continued:

One hundred and fifty families are stated to be involved in this Iowa situation. Larger groups of persons are similarly involved at other installations. Uncounted thousands of such residents, principally civilian scientists, technicians, guards, and other employees, in national parks, at Federal prisons, and on other areas over which the Federal Government has exclusive legislative jurisdiction located in all of the several States can become entitled to privileges which are considered basic rights of American citizens only if the legislative jurisdiction over the areas on which they live can be adjusted under such authority as this bill would grant.

Here, Mr. Speaker, is a graphic illustration, in human terms, of the necessity of the adoption of the measures which I have introduced today. In the words of the Interdepartmental Committee:

With the enactment of such legislation, and with the revision by Federal agencies of their policies and practices relating to the acquisition or retention of legislative jurisdiction so that they are in conformity with the recommendations made in the report, the Committee is confident that most of the problems presently arising out of this subject could be resolved, to the great benefit of the Federal Government, the States and local governmental entities, residents of the Federal areas, and the many others who are affected.

## EQUAL RIGHTS FOR MEN AND WOMEN

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, it is assumed by many that since the time women were granted the right to vote that they have the same legal, political, and economic opportunities as men. This is an assumption that cannot hold up to the facts. The New Jersey State Bar Association states:

In spirit women have attained a legal status equal with men, but in fact they are still a subject class.

A look at a few examples where women are denied their civil liberties will soon dispel the notion that equality now exists in this regard.

First. In many States a woman cannot own separate property in the same manner as her husband.

Second. In some States a woman cannot own a business, pursue a profession or occupation as freely as a man.

Third. In some States women are classified separately for jury service.

Fourth. Community property States do not vest in the wife the same degree of property rights as her husband enjoys.

Fifth. The inheritance rights of widows differ from those of widowers in some States.

Sixth. Restrictive work laws, with the intention of protecting women, actually deny women equal freedom to pursue employment.

On the other hand, alimony and divorce laws that penalize men because of their sex would have to be changed.

It is due time that these ancient laws in regard to civil rights of women are changed, laws conceived at a time when the wife was considered, "something better than her husband's dog, a little dearer than his horse."

The amendment to insure equal rights under law for men and women has repeatedly been reported out favorably by the Senate Judiciary Committee. It is due time that we enter the 20th century in this respect.

## FOREIGN POLICY

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, the recent conduct of our foreign policy has been criticized by Americans of both political parties. To some degree, it is bipartisan in scope, as a reading of the daily press or the CONGRESSIONAL RECORD will affirm.

Most Americans do not question the need to back our President as Commander in Chief once grave national decisions have been made. We rally behind the President in times of unusual stress. I speak as one who firmly believes in this principle and as one who, on the record,

without equivocation, has consistently adhered to it.

However, with some concern, I have been reading of Republican constructive criticism being labeled as "partisan bickering" or "playing politics with our foreign policy."

The purpose of the two-party system is to insure that the loyal opposition will criticize policies, domestic and foreign, when the need arises. This cannot be done if constructive criticism is labeled as "partisan bickering." Such labeling tends to throw the opposition into disrepute by insinuating a lack of constructive intelligence and indeed patriotism. This type of labeling reminds one of the charges of deviationism and dogmatism made in those countries where one-party systems prevail.

Is it unfair to assume those who are concerned with partisan bickering would prefer a one-party system? If so, they are out of step with the opinion held by an overwhelming majority of Americans.

I do not mean to imply that all opposition criticism is constructive. Of course it is not. But the price we pay for getting constructive criticism is having to listen to criticism that is less than constructive.

Recent criticism of which I speak is directed to both substance and methods. Now, it is difficult to be absolutely certain about the substance of such problems as: First, the Canadian defense issue; second, the discontinuation of Skybolt; third, improving relations with West Germany; fourth, Cuba as a Soviet-bloc satellite; fifth, President de Gaulle's position concerning the Common Market; and sixth, the Nassau Pact. An examination of methods more nearly falls into the realm of certainty. This is true because we can see the effects of methods and procedures employed.

Using methods—and methods alone—as a yardstick, it is apparent something is wrong, terribly wrong, with the recent conduct of our foreign policy. The actions of our Government in the last few months have stirred up a hornet's nest.

For example, one time-honored method in international relations is having technical arguments completely resolved prior to making a political decision. By proceeding in this fashion, a nation avoids having holes shot through its position during negotiations.

For instance, under the Nassau Pact the U.S. Government offered to make Polaris missiles available to a NATO atomic force. On January 14, 1963, President de Gaulle replied to this offer as follows:

France has taken note of the Anglo-American Nassau Agreement. As it was conceived, undoubtedly no one will be surprised that we cannot subscribe to it. It truly would not be useful for us to buy Polaris missiles when we have neither the submarines to launch them nor the thermonuclear warheads to arm them. Doubtless the day will come when we will have these submarines and these warheads.

(English translation full text of President de Gaulle's press conference held in Paris at the Elysee Palace on January 14, 1963, as provided by the French Embassy, Service of Press and Information, 972 Fifth Avenue, New York, N.Y.)

On February 20, 1963, the Washington Post and Times Herald carried a story by Mr. Murrey Marder on page 1. The headline for this column was "United States Now Leans to Surface-Ship Missiles for a NATO A-Force." Mr. Marder goes on to explain that the administration has changed its technical position since January.

In other words, the uproar in Britain following the Nassau meeting might well have been avoided. However, the foregoing story suggests the new frontiersmen had not thoroughly prepared their technical position concerning a NATO atomic force prior to the Nassau meeting.

I feel it is my duty to point out that many distinguished Americans and citizens of friendly countries have become increasingly uneasy in the past year.

Evidence of the gravity of the situation is reflected by the statement of the Joint Senate-House Republican leadership adopted February 7, 1963. It says:

One of the basic concepts of American foreign policy for scores of years has been a lasting friendship with Great Britain, France, and Canada. The British, French, and Canadians have been more than our allies in war; they have deep ethnic and historical ties with us.

In recent weeks we have witnessed anti-American sentiment sweeping each of these three great nations because of the inept conduct of our foreign affairs by the Kennedy administration.

The French, claiming that Europe can't count on the United States to use nuclear force in the event of attack on the Continent, are attempting to reshape the European community to diminish America's leadership. The Kennedy administration's renewed emphasis on conventional forces, the 1962 Cuban showdown, and the Skybolt incident have all been employed by the French as arguments to move her sister European states into a "third force."

The Canadian Government has fallen because of a needless public statement by the Kennedy administration on an issue—acceptance of U.S. nuclear weapons for Canada's armed forces—on which the United States was probably right but was so unwisely represented that the heads of all four Canadian political parties denounced us.

The British Government was for a time similarly threatened, again on an American issue—the cancellation of the Skybolt missile program—which was abruptly brought to a climax by our Government without proper regard for the repercussions that might follow.

The standing of the United States with our three historic allies is far below the plateau of prestige promised by Mr. Kennedy in the 1960 campaign.

But the severe damage to American prestige does not stop at the borders of Great Britain, France, and Canada.

The NATO nations, their unity already shaken by French efforts to realine free Europe, are wondering how much longer U.S. bases on the Continent will be maintained now that our missiles are being withdrawn from the soil of Turkey, Italy, and Great Britain.

Even Spain, which is not a member of NATO, is exhibiting evasiveness in opening negotiations for renewal of its pact which grants the United States bases in Spain in return for aid.

Portugal remembers our inaction on the Indian-Goa issue and our United Nations votes against her on Angola. The Netherlands has not forgotten our part in the delivery of Netherlands New Guinea to Indonesia.

Certainly, as President Kennedy recently remarked in a meeting with the press, frictions occur from time to time in our relations with our allies, but the Kennedy administration is developing more friction and less friendship daily.

Obviously the kind of leadership so vital to keeping free peoples united has not been in evidence so far in this administration.

We, the members of the joint Senate-House Republican leadership, feel it imperative for the President to reassess our policies toward our allies and particularly to reexamine the machinery which helps formulate policy and place it in operation. It is apparent, at least in the case of Great Britain and Canada, that important channels of communications were not properly used or the embarrassments engendered would not have occurred.

In these days of Communist thrusts in Asia, Africa, and our own hemisphere, witness Cuba, we feel it vital that American relations within the free nations be maintained on the most effective level for our joint security. As the leader of the free world this Nation cannot afford to do less.

The foregoing statement lays heavy stress on method although it does not by any means ignore substance. Notice the words "inept conduct," "needless public statement," "was abruptly brought to a climax," and "developing more friction." These phrases suggest a lack of poise and maturity in handling of complex foreign policy. You might say there is a feeling we have been firing from the hip.

In each of these instances, the administration may well have made the best decision according to America's vital interests. However, taken together, the methods employed have created an impression of immaturity. Bipartisanship does not demand we assent to manifest errors in judgment.

Those persons who appeal for bipartisanship in times of failure might do well to remember such appeals fall on deaf ears in the absence of prior consultation. A truly bipartisan foreign policy requires keeping the minority party informed before and after the fact.

The late Senator Arthur Vandenberg stated this principle clearly when he said Republicans intended to be asked to the takeoffs as well as the crash landings.

One of the penalties we pay for having free world leadership thrust upon us is that a higher standard of behavior is expected from us than from our allies. We are expected to bring poise and patience to the conduct of our foreign policy. We are most definitely not expected to act like spoiled children.

## SIGNS OF LIFE

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] 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 Indiana?

There was no objection.

Mr. MATHIAS. Mr. Speaker, under leave to extend my remarks, I wish to call to the attention of my colleagues an editorial which appeared in the February 5, 1963, edition of the New York Times, entitled "Signs of Life."

It is encouraging to observe the national attention and approval which is

being attracted by the Republican civil rights program.

The editorial follows:

[From the New York Times, Feb. 5, 1963]

SIGNS OF LIFE

Signs of life are stirring in unexpected places: for example, on the Republican side of the House of Representatives. A group of Republicans, including Representative LINDSAY, of New York, has come forward with the best civil rights bill of which we have had a glimpse thus far in 1963. It would make the Civil Rights Commission a permanent agency; give it additional funds to investigate vote frauds; authorize the Attorney General to institute civil suits in behalf of young people denied admission to public schools because of their race, and make 6 years of education (in a school where instruction was primarily in English) proof of sufficient literacy and intelligence for voting. All this contrasts handsomely with the one extremely modest civil rights reform mentioned briefly by President Kennedy in his state of the Union message.

It may be said, of course, that this is simply a political move, designed to embarrass the Democratic majority and the Kennedy administration. But let us note a point or two. In the first place, the new Republican bill has responsible party backing: it has the support of the House Republican leader, of the chairman of the Republican conference and of the top-ranking Republican member of the Judiciary Committee. In the second place, the bill embodies recommendations made in the national platform of the Republican Party. And in the third place, if this is a move designed to embarrass the Democratic majority and the Kennedy administration, the easiest way for the Democratic majority and the Kennedy administration to get unembarrassed is to produce a similarly good bill and act on it.

## EQUAL PAY FOR WOMEN

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. DWYER] may extend her remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mrs. DWYER. Mr. Speaker, I have today reintroduced a bill I have sponsored throughout my years in the House which would assure equal pay for equal work for women, H.R. 4022.

This legislation would prohibit employers in interstate commerce from discriminating between employees by paying those of one sex a higher wage than those of the other sex for doing substantially the same kind of work.

I am pleased to announce, Mr. Speaker, that my colleague from New Jersey in the other body, Senator CLIFFORD CASE, is introducing a companion measure today. I hope that renewed interest in this important legislation will lead to early action in both Houses of the Congress.

As our colleagues will recall, Mr. Speaker, the House last year passed an equal pay bill, but only after accepting two amendments which, in my judgment, would greatly have reduced the effectiveness of such a statute.

The first of these amendments substituted the word "equal" in place of the word "comparable" in defining the kind of jobs and skills for which equal pay would be mandatory. The original language, which was retained in the bill reported by the Committee on Education and Labor, called for the payment of equal wages in cases of "work of comparable character on jobs the performance of which requires comparable skill." The amendment, on the other hand, used this language: "equal work on jobs the performance of which requires equal skills."

The effect of this amendment would make enforcement of an equal pay law extremely difficult. It would be quite practicable for the Secretary of Labor to establish standards by which to judge which jobs and skills are comparable—which the bill I have introduced provides for—but it would be impossible in many cases to measure the precise equality of such jobs and skills. An employer who wished to continue discriminating between men and women employees could simply make a slight and insignificant change in a woman's job description or activity and thus be relieved of paying the woman an equal wage.

I hope the House, too, will take a fresh look at another amendment to last year's equal pay bill which would make it possible for employers who discriminated between men and women in paying wages to reduce the pay of men employees rather than raise the pay of women workers.

The objective of equal pay legislation, Mr. Speaker, is not to drag down men workers to the wage levels of women, but to raise women to the levels enjoyed by men in cases where discrimination is still practiced. Such an amendment would reward the minority of employers who indulge in this form of injustice and would seriously weaken equitable enforcement of a law.

Passage of a meaningful equal pay bill will end a long and unfortunate pattern of discrimination against women and it will place the Federal Government in the same desirable position as the 20 States which have enacted equal pay laws. It will help all areas of the economy, men as well as women, by stabilizing wage rates, increasing job security, and discouraging the replacement of men with women at lower rates of pay. There is substantial documentation for these conclusions, Mr. Speaker, and I would refer our colleagues to the printed hearings and report of the Committee on Education and Labor.

In 1952, I was privileged to be the author of the State of New Jersey's equal pay law. In the course of seeking enactment of this legislation, I was confronted with the same arguments that are advanced today against Federal legislation. I can state in accuracy and in pride, however, that the results in New Jersey have been highly beneficial. I feel certain the same will be true at the national level. I believe the evidence is conclusive that the time has long since arrived when the benefits and protections of an equal pay law should be extended beyond the borders of individual States and embrace all of interstate commerce.

I hope the House, Mr. Speaker, will enact a workable and effective law that will protect women employees from wage discrimination. It can be another major step along the road to equal opportunity for all Americans.

## DR. RICHARD B. ROBERTS' VIEWS ON NUCLEAR TESTING

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] 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 Indiana?

There was no objection.

Mr. HOSMER. Mr. Speaker, the Republican Conference Committee on Nuclear Testing has received and distributed a series of papers on the question of nuclear testing in order that the Congress and the public might be better informed on this vital subject. It is preparing for distribution a compilation of arguments for and against a test ban treaty. To insure a balance in the experts' papers between authorities who might be for or against a test ban, papers were solicited from three experts nominated by the Committee on Sane Nuclear Policy. Dr. James Killian, of Massachusetts Institute of Technology, former science adviser to President Eisenhower, one of those solicited, regretted that he had become "out of date on the whole nuclear test problem" and did not have the time to do the research necessary to write a paper within the time set for submission. Dr. I. I. Rabi, physics department, Columbia University, has not yet replied. The paper solicited from Dr. Richard B. Roberts, a prominent physicist of the department of terrestrial magnetism, Carnegie Institution of Washington, has been received. Of particular interest is Dr. Roberts' opinion that should the Soviets wish to avoid the restrictions of a test ban treaty they might be expected to do so under conditions of open abrogation rather than clandestine testing. Dr. Roberts' paper follows:

THE NUCLEAR TEST BAN

(By Richard B. Roberts)

The attention which you are directing toward the test ban is well deserved. The issues are complex and the facts needed to form a considered judgment are not readily available. You will be doing a great service to the Nation if you can bring before the public the careful and objective analysis of the pros and cons given in the statement sent to your committee by Mr. William C. Foster.

Just as a bargain cannot be clearly to the sole advantage of the buyer or the seller, any arms control measure will involve compromises. These measures must provide mutual benefits. If they were clearly to the one-sided advantage of the United States they would induce no controversy at home but they would be clearly unacceptable to Russia. The decision whether or not any measure is in the interest of the United States must therefore depend upon a careful weighing of the advantages and hazards.

Individual enthusiasts who do not carry the responsibility for decision often fail to make such a balanced judgment. They frequently overemphasize one or another aspect

of testing and ignore all others. The hazards to health from fallout are real, but at one time they were exaggerated. At present the risks of a test ban are being equally exaggerated by proponents of continued testing.

These well-meaning advisers seem to appreciate that the invention of fusion weapons which might be cheap and which could spread into irresponsible hands would be dangerous to the United States. Furthermore, they agree that continued testing will accelerate this unwanted and unmanageable development. They do not seem to understand that a test ban would at least deter testing and postpone the advent of fusion weapons. Finally, they imply that the new dangers arising from fusion weapons could be neutralized if the United States also added fusion weapons to its arsenal. They fail to recognize that there would be no compensating value to the United States. We already have ample supplies of fission weapons; fusion weapons could add little to our strategic power. All of their worries were considered in Mr. Foster's analysis but were put into proper perspective.

In addition, the advocates of testing emphasize the peaceful uses of clean nuclear explosives and are in frantic haste to obtain them. In my opinion we have greater need for time to assimilate the present revolution in technology than need for any new innovations. If, however, they think industrial fusion power is desirable and important it is surprising that they did not suggest an open international development. Instead they seem to prefer secret national programs which would allow Russia to obtain the greatest advantage from its closed society.

Clandestine testing does not appear to be an attractive policy for any nation. Such a program would be costly and cumbersome. The tests would be restricted to underground shots which have limits to their utility. Seismic detection has improved rapidly in the past few years and there is no reason to believe that this progress has reached any fundamental limit. New information gathering systems such as reconnaissance satellites are in development. Finally, extensive clandestine testing is likely to come to the attention of our usual intelligence system. There is no reason to believe that evasion could be guaranteed for any significant series of tests.

As long as the test ban includes the right to make a small number of onsite inspections (mainly to provide incontestable evidence of events already known) the Soviets can be expected to choose open abrogation rather than clandestine tests if they decide to resume testing. Past experience has shown that Russia did not bother with elaborate concealment as was frequently predicted, but carried out its tests in defiance of world opinion.

In summary, I cannot agree with the advice given you by some of my fellow physicists. As weapons specialists they overemphasize the importance of further refinements in weapons. Other features which are equally important must also be considered. Therefore, I find that the evaluation made by the responsible leaders of the Government is more valid and convincing because it is based on broader grounds. The importance of the test ban is long range and symbolic. It would serve as a practical demonstration that mutually beneficial arms control measures, leading toward a safer world, can be negotiated.

## CIVIL RIGHTS LEGISLATION

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. QUIE] 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 Indiana?

There was no objection.

Mr. QUIE. Mr. Speaker, last Monday I had the privilege of joining the Republican members of the House Judiciary Committee, led by the distinguished gentleman from Ohio [Mr. MCCULLOCH], in introducing a comprehensive and moderate civil rights bill—H.R. 3879—which if enacted would carry out the mandate of the Republican platform of 1960.

Let me give a brief rundown of its major provisions.

First. The Civil Rights Commission would be made permanent and given additional authority to investigate vote frauds, including the denial of the right to have one's vote counted.

Second. The Bureau of the Census is empowered to compile nationwide registration and voting statistics which shall include a count of persons of voting age in every State by race, color, or national origin who are registered to vote, and a determination of the extent to which such persons have voted since January 1, 1960.

Third. A Commission of Equality of Opportunity in Employment is established which shall have the power to investigate discrimination in employment by any business organization or labor union engaged in carrying out Government contracts or subcontracts. Employment agencies financed by Federal funds are also placed under the Commission's jurisdiction.

Fourth. The Attorney General is authorized to institute civil action in behalf of a citizen who is denied admission to a nonintegrated public school.

Fifth. The Federal Government is authorized to offer technical assistance to States and localities at their request to aid them in desegregating their public schools.

Finally, citizens otherwise qualified to vote in a Federal election are presumed to have sufficient literacy, comprehension, and intelligence, to vote if they have completed six grades of an accredited elementary school.

Here, then, is a positive, comprehensive, and realistic program which seeks to advance the cause of civil rights in the United States. One of the most serious shortcoming of the last Congress was the failure of the Kennedy administration to press for comprehensive civil rights legislation. This administration has broken a long series of elaborate pledges that were made in the campaign of 1960, and has let cynicism and politics overshadow the need for a constructive program.

The Republican members of the Judiciary Committee should be commended for their honest effort in formulating legislation which stands a chance of enactment. This bill, which seeks to accommodate the interests, desires, wants, and needs of all our citizens, is sincere in its purpose, moderate in its scope, and realistic in intended accomplishment. I therefore urge my colleagues to carefully study this proposed legislation and lend their full support to it.

## THE PRESIDENT'S TAX PROPOSALS

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] 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 Indiana?

There was no objection.

Mr. ALGER. Mr. Speaker, once again President Kennedy is exposing his total lack of understanding of sound economics in the tax proposals upon which the Ways and Means Committee is now holding hearings. The President and his advisers have run into almost a solid wall of opposition to their tax schemes from every segment of our society, proving once again the wisdom of the people of this Nation. As is so often the case, the people in this instance are far ahead of their national leaders in recognizing the fallacies of the President's proposals and in their determination to prevent utter chaos in the tax field. We recognize the President's proposals to be inconsistent with the goals he seeks and the fiscal irresponsibility of not also reducing Federal spending.

It is apparent the Kennedy administration is prepared to launch an all-out attack on the tax structure of the country with no regard for the responsibility of the program or its effect upon the individual taxpayer. With the usual high-pressure propaganda barrage of honey-coated doubletalk, they intend to tighten the stranglehold the entrenched bureaucracy of the New Frontier is fastening, in vampire-like fashion, on the jugular vein of our economy.

The witnesses who have already appeared before Ways and Means clearly indicate the latest Kennedy venture into economic fantasyland is not fooling anyone. To bring the picture into focus and to make available to all the Members of Congress some of the discussion which is being carried on in regard to the President's tax schemes, I would like to include at this point several pertinent articles from magazines and newspapers. "More Light on Some of the President's Tax Reforms," from the U.S. News & World Report of February 25, 1963, shows, in two instances, where the average citizen is going to pay more under the Kennedy plan.

The article follows:

[From U.S. News & World Report, Feb. 25, 1963]

MORE LIGHT ON SOME OF THE PRESIDENT'S TAX REFORMS

(NOTE.—Amid the talk of tax relief, you need to keep an eye on provisions of the Kennedy program that would cost some taxpayers a lot in increased taxes. This article explains two such provisions, with examples to show how they would work.)

Congress has just started digging into President Kennedy's tax plans, and already new features are coming to light that could be a blow to many taxpayers.

The administration is still changing and adding to some proposals, and people are becoming more and more confused about how they would be affected.

Two proposals that are causing a great deal of worry are outlined by the chart on this page.

One of these would impose capital-gains taxes on assets passing at death or by gift—gains that are now ignored for income tax purposes.

The other proposal is to change the method of taxing payments received from pension and profit-sharing funds when a person, on retiring, elects to be paid in a lump sum instead of in monthly installments.

The Treasury plan for taxing capital gains in estates is full of complications, out of which this fact emerges: Some estates that now are taxed by the Federal Government would pay additional taxes. Some that are not now taxed would be taxed in the future.

First the rules: There would be no tax on gains in the value of personal belongings. The increase in value of the home of the deceased usually would be tax-free. This leaves the proposed capital-gains tax to fall on the increased value of investments and other assets, after allowance for a flat $15,000 exemption. The tax free gain on the value of a house would be counted against this $15,000. There would also be a marital exemption, waiving half of any capital-gains tax, if half or more of the estate passes to the husband or wife of the deceased.

TWO TAX IDEAS THAT ARE CAUSING A STIR

*New taxes on estates and gifts*

Kennedy plan: To impose taxes, at capital-gains rates, on paper gains that have accrued on stocks or other assets transferred at death or by gift.

Example: Years ago, a man paid $100,000 for stock that, by the time of his death, is worth $1 million. This paper profit would be subject to capital-gains tax—subject to some modifications through special relief provisions. And, on the amount of the estate left after the capital-gains tax has been paid, the regular estate tax would apply. In general terms, the same kind of capital-gains tax would be imposed on assets given away during the donor's lifetime.

*Higher taxes on lump-sum pensions*

Kennedy plan: To impose taxes at ordinary-income rates on pensions or profit-sharing funds when drawn by employee in a lump sum. Heretofore such receipts have been taxable at capital-gains rates.

Exception: The proposed new rule would apply only to sums paid into pension and profit-sharing funds after February 6, 1963. Lump-sum payments from funds accumulated before that date, and future earnings on those funds, would get the benefit of capital-gains rates.

How the tax would be figured: On an averaging basis—as if the payment had been made over a 5-year period instead of in one lump sum.

A REALISTIC LOOK

The following examples show how all this might work out in dollars:

Mr. A was a small businessman who left an estate valued at $500,000. Of that amount, $230,000 represents increased value built into the business and $20,000 is an increase in the value of his house. Mrs. A is inheriting half of the estate; the children get the other half.

Under present law, the Federal estate tax on Mr. A's estate is $47,700. There is an income tax on the $25,000 of taxable income which Mr. A realized during his last year, but none on the capital gains.

Suppose now that the Treasury plan is in effect. The total gain is $250,000. After allowing for the marital exemption and the lower tax rates the President is proposing, the capital-gains tax would be $11,760, to be added to the tax on Mr. A's last year of income.

Mr. A's estate, reduced by the amount of the capital-gains tax, would now pay a Federal estate tax of $45,936. Thus, the total tax on the estate—capital gains plus estate tax—would be $57,696, or 21 percent more than at present.

In a bigger estate, the impact would be measured in many thousands of dollars. Mr. C, for example, left $10 million worth of securities, half to his wife, half to other relatives. The securities had cost him $5 million.

Mr. C's estate would pay a Federal estate tax today of $2,430,400. The Treasury plan would first impose a big capital-gains tax. Assuming Mr. C had $400,000 of taxable income in the year before he died, the capital-gains tax would come to about $487,500. Then would come a Federal estate tax of $2,276,837 on what was left after the capital-gains tax. The total tax would be $2,764,337, and Mr. C's estate would end up paying about one-third of a million dollars more than at present.

Officials emphasized that the plan is aimed primarily at a few large estates—about 3 percent of the total.

However, take the case of Mrs. D. She was a widow who lived in an apartment, gradually drawing down the funds left by her husband. Her income was $2,000, and her securities, when she died, were worth $50,000. They had been purchased years before for $20,000. In addition, Mrs. D had furniture, pictures, jewelry, and other items worth $10,000. Thus, her total estate came to $60,000.

Today, there is no Federal tax on Mrs. D's estate. The tax falls on estates of single persons only if the value is more than $60,000.

If the Treasury plan were enacted, Mrs. D's estate would have a capital-gains tax of $720 to pay. This would be figured on the $30,000 increase in the value of the securities, minus a $15,000 exemption.

Another estate of about the same size might still go tax free. Mrs. E, for instance, left only some personal belongings and a house worth $45,000. The house was purchased for $15,000 during the depression and is now in a prime location for commercial development. The total estate amounts to $50,000. Mrs. E was supported by her children.

Because the capital gain is accounted for entirely by the house, there would be no capital-gains tax on Mrs. E's estate. And, of course, the estate is too small for the Federal estate tax.

A GRADUAL CHANGE

The Treasury proposes to impose the tax on capital gains in estates over a period of 3 to 5 years, starting in 1964.

This means that, if Congress selected a 3-year period, estates left to heirs in 1964 would pay one-third of any capital-gains tax due under the new plan. Those left in 1965 would pay two-thirds. The full tax would fall on estates left after 1965.

A similar tax would fall, however, on all gifts made after January 24, 1963. The following example shows how a large gift might be affected:

A couple owns $500,000 worth of stock, which was bought years ago for $100,000. They wish to give the stock to their two children. Under present law, they pay a gift tax of $82,350. The $400,000 in capital gains is ignored.

The Treasury plan would change that. The couple would have to pay capital-gains tax on $370,000, after taking exemptions of $15,000 apiece. Assuming other taxable income of $50,000, the tax would come to $56,020 at the tax rates the Administration is proposing. There would still be the gift tax of $82,350 for a total of $138,370.

The gift tax could be reduced by selling some of the securities in order to raise money to pay the capital-gains tax. In this case, the children would get $443,980 instead of $500,000.

Today, if a person retires and claims all of his pension or profit-sharing money in one lump payment, the amount he receives is treated as a long-term capital gain. The tax, at most, is 25 percent.

JOLT FOR THOSE RETIRING?

Again, the Treasury proposes a change. It would treat such payments as ordinary income if the funds are accumulated by the pension or profit-sharing fund after February 6, 1963. This means that it would be some years before the bulk of such payments would be affected, but, when they were, the impact could be heavy.

Mr. X is a 65-year-old office worker receiving a lump sum of $20,000 on retirement, in lieu of monthly benefits. He receives in the same year $6,000 in salary for his last months of work and $600 in interest. He has a wife, also 65, but no dependent children. Under present law, Mr. X's total tax in the year of his retirement comes to $3,080, after allowing for the standard deduction and exemptions. This includes $2,372 by reason of the pension payment, which would be charged as a capital gain.

Under the Treasury plan, the tax on the $20,000, treated as ordinary income, would come to about $3,120, and Mr. X's total tax for the year would be $3,253. The change in method of treating the pension payment would more than offset the cut in tax rates in the administration plan, and Mr. X would end up paying $173 more than he would today.

Officials say they are aiming more at people like Mr. Y, whose lump payment comes to $100,000. He and his wife, both age 60, have $25,000 in other taxable income. Under present law, they would pay a capital-gains tax of $25,000 and a total tax of $30,744 in the year of Mr. Y's retirement.

Under the Treasury plan, they would pay a total tax of $43,478, or $12,734 more than at present. Thus, the change in method of treating income would much more than offset the tax-rate reductions in the Kennedy program, so far as Mr. Y is concerned.

Mr. Z is in the same boat. He gets a lump-sum payment of $500,000 and, like Mr. Y, has other taxable income that amounts to $25,000.

Mr. Y's total income tax under present law, including the capital-gains tax on the lump sum, comes to $180,774, while under the proposed plan he would end up paying $259,463. That is an increase of $128,689. Thus, the tax in this case would be nearly double the amount under existing law.

Why this change? The Treasury argues that under present law many executives arrange to accumulate big retirement payments instead of taking the money in salary. This amounts, the Treasury feels, to converting regular pay into a capital gain at a privileged rate of tax, which would be still lower than now at the proposed rates.

The examples of Messrs. X, Y, and Z assume that the pension rights are all accumulated after February 6, 1963.

You can see why Congress is going over the tax-revision plans with a fine-toothed comb, and why so many taxpayers are concerned.

For further examples of the inequities which Kennedy plans for our citizen-taxpayers, I refer you to the following letters to the editor of the Washington Post, the first from Mr. John C. Williamson, director of the National Association of Real Estate Boards, and the second from Mr. C. E. Griffith III, of Nashville, Tenn.:

THE TAX FLOOR

Frank C. Porter's article of February 14 is headlined "5-Percent Tax Deduction Floor Widely Misunderstood." Mr. Porter's error is that he misunderstands the opposition to the 5 percent floor.

The Secretary of the Treasury on February 7 made it clear to the House Ways and

Means Committee that the sole purpose of the 5-percent floor amendment is to raise revenue, not to remove any inequity or unnecessary preference in the tax structure.

Proceeding from this fact the question properly arises: Who will bear the brunt of this recovery of $2.3 billion?

A taxpayer with an adjusted gross income of $8,000, who is not a homeowner, finds that his estate and local taxes, church, and charitable contributions are $800 or less. He takes the standard deduction of 10 percent of income, or $800. However, the homeowner with the same taxes, church, and charitable contributions as the nonhomeowner discovers that the interest on his home mortgage and the real estate taxes bring his itemized deductions to $1,500. He will, of course, itemize his deductions and, under the administration's proposal, he will be able to deduct only $1,100 because his deductions up to 5 percent of his income are disallowed. Thus he loses $400 in deductions. The adverse effect is particularly evident in new home purchases because of the high interest charges in the early years of the mortgage.

Obviously the homeowner, under the administration's 5-percent floor amendment, is going to be nicked for the $2.3 billion. None of the impressive statistical tables submitted by the Treasury Department stands up under the impact of this incontrovertible fact.

JOHN C. WILLIAMSON,
*Director, National Association of Real Estate Boards.*

---

As President Kennedy stated, this floor would decrease considerably the number of persons who would be able to itemize deductions. This, in effect, would eliminate tax savings which individuals have in the past received because of the present provision where a deduction for all charitable contributions up to 20 percent, and in some cases 30 percent, of adjusted income is allowed. This would affect not only the giving programs of donors in the middle income brackets but also those in the higher income brackets.

For example, a man with an adjusted gross income of $100,000 would receive no tax deduction on a gift to charity unless his total deductions exceeded $5,000 and only that amount over $5,000. This bill, therefore, would undo all of the work that university fundraisers and thousands of volunteers have done in the last few years. This would eventually bring about complete dependence by our private institutions on Government support.

C. E. GRIFFITH III.

NASHVILLE, TENN.

As in so many of the New Frontier programs, President Kennedy's illogical tax scheme lacks the vision associated with an America on the move and the dynamic economy possible in this country, if private initiative is unleashed and the people are not hamstrung by fuzzy minded theorists whose theories have been rejected and proven without foundation. For "Taxation Without Vision" I call your attention to the following editorial from the Wall Street Journal:

TAXATION WITHOUT VISION

Sometimes the trouble with asking seemingly unanswerable questions is that answers lie readily at hand. This misfortune, we fear, befell President Kennedy in his latest discussion of his tax program.

"What alternative," he asked his critics, "does anyone have for increasing and maintaining economic growth?" In his view, the only alternative to this specific set of tax recommendations is restricted growth and higher unemployment.

Such categorical positions are characteristic of Government pronouncements. Take it or leave it, Congress and the people are told, or if you change this, then you must pay such and such a penalty.

The facts are quite different. Before getting to alternatives, it must be noted that this Government deliberately ignores a large element of any sound tax program. That is the matter of Federal spending and deficits. Our officials seem unable to discover any connection between high spending and high taxes. As for red ink, they take the Orwellian view that today's deficits equal tomorrow's surpluses.

Now if taxes could be considered in this vacuum, the case for substantial rate reductions would be overpowering. Mr. Kennedy puts it well when he says that the U.S. tax system was written during wartime (and the preceding depression) to restrain growth. Unfortunately for his argument, it does not follow at all that "the most effective thing that can be done at this time is our tax program."

For this particular program violates many of the principles of reasonable taxation. These criteria are well summarized in a new study by the tax foundation, and they are worth noting even though they will scarcely find favor in Washington today.

A tax program, for example, should generally provide enough revenues to cover spending—an elementary rule persistently flouted by this and every other administration for the past 30 years. Granted that no tax system can, strictly speaking, be equitable, at least an attempt at fairness should be made.

Taxation of income from additional effort at rates ranging from zero to 91 percent, as the tax foundation puts it, does not qualify as fairness, but in trying to weed out inequities the designers of the new proposals have only compounded them.

Furthermore, a sensible structure would minimize the tax penalties on business. Not because business is something sacrosanct—it certainly isn't that in the eyes of officialdom—but because it is the specific human activity which alone can make an economy prosper. In the words of the foundation study, "business is the major agency for organizing to produce—for allocating productive capacity and its use today and for undertaking economic growth."

The administration's program, with its grudging and slow-moving business rate reductions coupled with new restrictions, retains the punitive antienterprise bias of the thirties. It thus not only contradicts principle but flies in the face of the Government's own professed desire for economic growth.

In addition, a tax system should be simple. Instead we have a tax code of over 900 pages of confusion, a monstrosity hardly equaled in the world, and that's only the beginning of it. The new program would not diminish the complexity but add to it.

In basic tax principles is embedded the basis for a sound alternative to the current proposals. The administration, to its credit, has perceived that the present tax structure is an economic depressant, but it has largely failed to pursue the logic of that perception.

Why? Because a sound program would be politically impossible? To most observers the program as it stands looks pretty close to impossible. Real tax improvement doesn't have to be bad politics.

The alternatives to this unimaginative program exist. What is lacking is the vision to see them.

To complete this short report on the status of the tax hearings and current national thinking I would like to include two further editorials from the Wall Street Journal, an analysis of the President's tax plan by David Lawrence in the Washington Evening Star, a discussion of the plan from the Christian Science Monitor of January 31, 1963, and finally a fine statement on "A Short-sighted Tax" by Henry Hazlitt in Newsweek of January 14, 1963:

[From the Wall Street Journal, Jan. 2, 1963]

YES, BUT WHAT KIND OF TAX CUTS?

Everybody—well, nearly everybody—seems to agree that taxes are too much with us. And that we should lighten the burden to get the country going again. On this point it's hard to tell a liberal from a conservative without a program.

In fact, the liberals are telling us we don't even have to worry about the Government deficit. The tax cuts will spur savings, pump new capital into business, set the wheels humming. Thus the Government will get more revenue from lower taxes.

And so it might. Still, we wonder if the people, and particularly the liberal politicians, are really ready to recognize the kind of taxes that are the true constrictions on savings, capital accumulation and economic progress. To admit them, and remove them, would require the abandonment of a generation of liberal shibboleths.

For example, no less weighty a voice than Prof. Dan Troop Smith of Harvard says that the most obvious tax depressant on capital formation is the progressive income tax itself.

Quite apart from any discouragement on initiative, income taxes discourage savings because they treat consumption and savings equally—that is, your tax is the same whether you spend the money in riotous living or whether you save and make a contribution to the future economic growth of the country. Moreover, the highly progressive rates especially restrict the amount of savings by falling most heavily on those incomes from which come the greatest savings.

So if the objective is good economics and not merely good politics, income taxes should be pared down and replaced by some sort of expenditure tax. And in cutting income tax rates, the biggest cuts should be made in the highest rates.

And if the objective is to halt the depletion of the Nation's supply of capital, what of the inheritance and estate taxes? As Professor Smith points out, with a large estate tax, even a saving of all the net income from an estate for a generation might not restore the original capital sum. The redistribution of wealth by this kind of taxation, which is the political objective, is achieved only by reducing the total of the wealth of the Nation.

The same is true of the capital gains tax applied against any shift in investments. A long-time investor in General Motors can shift his capital to another enterprise only by reducing the capital, because the capital gains tax takes away up to a quarter of the principal. The unfairness of this has long been argued. What has been too little noticed is the depletion it causes in the Nation's total capital resources.

Equally unnoticed has been one especially adverse effect of the corporation profits tax as a drag against more efficient economic activity. The efficient, of course, pay heavily on their profits, with a reduction in their net return. The marginal producer pays less; nothing if he is sufficiently inefficient as to make no profits. The effect of this, Professor Smith notes, is to slowly shift the control of more of the Nation's resources into the hands of the less efficient producers and managers.

The mere listing of a few of these simple and obvious ways in which our tax system does indeed burden the economy is enough to raise some wonder about the kind of tax changes that will actually be forthcoming.

For these oppressive weights on the economy—heavy death duties, high rates on high income, the capital gains levy—did not happen accidentally. They came in obedience

to the sociological doctrine that the rich should be leveled, and the political belief that it's profitable to soak the rich. The rich, of course, are anyone who earns more than you do.

Now if the Congress would in fact junk this economic and political philosophy, admitting it to be the true evil that it is, and throw overboard these plain burdens upon our economic growth, then there would be some hope that cutting tax rates might deliver the promises. The burst of new energy from the release of these constrictions might even overcome the Government's heavy spending.

But is this what the President will propose, and Congress adopt? Some major reductions where they are most needed, in the upper income brackets? Rules to permit capital shifting without capital shrinkage? A recognition that death taxes ought not to destroy capital accumulation?

Or will the upshot, when all the talking is over, be nothing more than a sop to this idea of unchaining the economy while the real emphasis is on cuts in lower income brackets, leaving the real economic burdens almost as heavy as before? If so, it will also leave the deficit bigger and make the injury worse.

All this unanimity about cutting tax burdens is fine. But the question remains, such as which?

---

[From the Wall Street Journal, Jan. 8, 1963]

THE JUST AND THE UNJUST

We guess we don't run in the right social circles.

For years we have been reading those books about wild living in the suburbs and wondering somewhat plaintively why the excitement seems to pass us by. In years of suburban living the wildest shock to the even tenor of our domesticity was the day the dog drank up the cocktails and bit the mayor. It was weeks before we were forgiven.

For almost as long, we've been reading about all this notorious high living on the expense account, boats and all that, and groaning over what we seem to have missed. After a quarter-century in that den of iniquity, Wall Street, no one has tempted our journalistic virtue with even so much as a night at a hunting lodge, much less a seagoing voyage. Where, indeed, are all those expense-account yachts?

True, we aren't without sin, as defined in the new dogma of the Internal Revenue Service. We suffer business luncheons dreadfully often and when we turn in the voucher we don't deduct the $1.25 we would have spent anyway for the blue plate special. A man is entitled to some recompense for punishment in line of duty.

When business takes us to Peoria or Dubuque, as it does all too often, we take an aperitif before dinner, choose the steak over the chicken-a-la-king and sometimes splurge on the movies, charging the lot to the stockholders. If it weren't for their business we wouldn't be there at all, and frankly we have better steaks at home.

Moreover, the children being more or less at the age of discretion, we have lately taken our wife along on some trips. We haven't persuaded the curmudgeonly auditor to okay her expenses, but not long ago we drove to Washington on legitimate business (if talking to a Senator is legitimate) and our wife rode along in the car. Even that baleful auditor didn't ask us to reimburse the company for the equivalent price of her bus ticket.

Give or take a few details, this is not unlike the situation of thousands of businessmen in a country where men at work are ceaselessly traveling to and fro. The door-to-door salesman and the flying corporate executive are brothers under the skin; they are working also when they pass the time of day with the lady at the door or the business acquaintance across the luncheon table. Sometimes the smartest business is not to talk business at all but to be friendly, interested; to listen and to learn. Only ignorant and petty minds could imagine that the free lunch is all beer and skittles.

But now it turns out that all this is under the suspicion of undermining the public morality and the solvency of the U.S. Treasury. In any event the Government is going to treat all the people as crooks until proven otherwise.

This suspicion of malefaction flows from every word of the new regulations on record-keeping, pedantic in language and picayune in detail, drawn up by the Internal Revenue Service.

Hereafter you must account to the Government not only for your yacht but the beer you buy a business acquaintance. The documents for any entertainment, no matter how trivial, must include the amount, date, place by name and address, type (martini or ham sandwich?), explanation of the benefit to be returned for this bounty, the name of the recipient and sufficient documentation to explain your extravagance to the satisfaction of any revenue agent who subsequently examines your tax report.

And if perchance on a trip you spend more than $25 in any day you must itemize everything else too—the day you left home, day you got back, every telephone call, meal, cup of coffee, taxicab and bus fare. If you want your books to balance, you'd better even keep track of the postage stamps for the letters to the home office.

The sheer absurdity of this avalanche of paperwork is only the beginning. The metaphysicians of Mr. Mortimer Caplin's bureaucracy have now gone off to mull such esoteric questions as: What, precisely, constitutes a "business meal"? What is the allowable difference in cost between a lunch for a life insurance prospect ($5,000 policy) and the prospect for an electric dynamo ($5 million sale)? Can you also buy lunch for the prospect's wife, or do you suggest she go eat in the drugstore? What if your own wife is along too—do you leave her back in the hotel room to munch a hamburger and watch television?

As ridiculous as these questions sound, they are precisely the sort of thing that must now be decided upon at the highest levels, and Mr. Caplin confesses—quite understandably, we think—that it will be some weeks before we can expect any official enlightenment. It has never been easy to decide how many angels can dance on the head of a pin.

Yet it is neither the absurdity of the paperwork nor the ridiculousness of the metaphysics that it is the true evil.

Here is a situation in which the Government is, no doubt about it, confronted with a problem. Some people do hide yachts in expense accounts, just as some do hide misbehavior in the suburbs, and the Government has power to deal with the real tax cheaters. But the vast majority of the people everywhere lead quiet, placid and upright lives, and the vast majority of those whose taxes support the Government give an honest accounting of their affairs.

Yet here we use the majesty of the law to treat every taxpayer as a potential cheater because pinhead minds can think of no other way; the integrity of all must be insulted, and the conduct of their affairs made insufferable, because of the sins of the few.

Now completely apart from this question of expense accounts, this is a philosophy of Government which is evil in itself. We once had an example of this when, to stop a few people from drinking too much, we adopted prohibition which treated all men as potential alcoholics. Surely the results have not left our memory.

The results of this noble experiment can also be foreseen. These new rules will give trouble only to honest men. The real operator—the man who is really out to cheat on his taxes—can drive a truck through them.

The smart lawyers are already figuring out the perfectly legal loopholes; beyond that, those with larceny in their hearts will not be disturbed because they will show records, receipts, and paper accounts by the carload. As sure as the sun rises tomorrow, today's rules will have to be followed tomorrow by new rules upon new rules tightening the rules.

And while all this is going on, the honest man—the man who takes a business trip to do an honest job for his company and with no desire to cheat either his company or his country—that man will see himself not merely laden with burdensome paperwork but with the fear that everything he does is under suspicion.

Because he honestly tries to keep honest records, all the records will be there and he can be called up a year later, 2 years later, and find that what he did in good faith is adjudged wrong by some petty bureaucrat imbued with the idea that any expense account must conceal some wickedness. The smart operator will have his lawyers; the little taxpayer will be helpless against the insolence of office.

We submit that to order the public affairs in this manner is an affront to the public morality, just as it would be for the state to require of every citizen a detailed accounting of his home-coming-and-going because some men cheat. That government governs illy which can find no other way to deal with malefactors than to maltreat all of its citizens, the just and the unjust alike.

---

[From the Washington (D.C.) Evening Star]

WILL TAX PLAN BOOMERANG?—POLITICAL FORTUNES OF ADMINISTRATION SEEN PERILED BY SMALLNESS OF CUTS

(By David Lawrence)

There are 42 million taxpayers who earn between $5,000 and $10,000 a year. How are they going to feel when they learn that the administration's proposed tax cut would mean an average saving of about $1.56 a week during the next 3 years for a married couple with two children. A couple without children would not really fare any better. This could turn out to be a political boomerang if the President's 3-year program isn't materially changed.

For, based on a calculation made in an Associated Press dispatch, the total savings on taxes during the next 3 years for individuals in the $5,000 to $10,000 category are to be surprisingly small. Stanley Meisler, who wrote the AP article, took as a typical example a married couple, one of whom earned $5,000 a year and the other $2,500, so that their combined income amounted to $7,500 a year. He figured the exemptions for two children and estimated the usual deductions for normal expenses. He concluded that for each of the next 3 years, beginning with 1963, there would be a $46 reduction in taxes, followed by $28 more for each of 2 years, plus a $50 reduction for the third year, or a total of $244 saved in 3 years. This is an average saving of $81.33 for each year. It amounts to $1.56 a week or 78 cents each for the man and his wife.

But, unhappily, they can't keep that sum. Social security taxes aren't deductible and, of course, were not included in the Associated Press tabulation. A new social security tax, moreover, has just gone into effect amounting to $24 a year, so it brings down the combined saving from $81.33 to $57.33 a year. This means in reality $1.10 a week for the couple, or only 55 cents a week for each of them, in tax savings.

This isn't all either, because the Associated Press article figured State and local taxes at $500—the level of 1962—and this item is scheduled to go up by a total of about $195 for the 3 years beginning in 1963. While there is a tax deduction for a part of this increase, it is conceivable that for this couple the whole saving on the President's tax plan may come close to being wiped out altogether.

Unfortunately, with larger and larger deficits in the Federal Treasury, the purchasing power of the dollar tends to become less and less, while prices tend to rise. It wouldn't take much of an increase in the cost of living for the entire weekly savings in taxes for many taxpayers in several of the income tax brackets to disappear by the time 1965 rolls around.

The Associated Press gave its statistical information to its newspapers from coast to coast last Saturday without arguing the case one way or the other. Millions of taxpayers will themselves do some figuring and, for the next several months, Members of Congress will doubtless be hearing from their many constituents in most of those tax brackets that the proposed cut is a piddling one. Indeed, some voters may come to the conclusion that maybe it would be better for the administration to let the tax rates and tax rules alone and try to instill the necessary confidence for a business revival. The dictatorial behavior of the labor-union monopoly, for instance, is being ignored by the administration and Congress. It seems inevitable that acceptance of demands for higher wages will be compelled by strikes or threats of strikes in the next 2 or 3 years because the tax cut will appear to be inadequate.

If the administration, however, had a constructive economic policy, it could boost the gross income of businesses to the point where wage increases would be feasible without any substantial price increases. For it is the volume of business and a higher gross income which are the most important elements that need stimulus in the economy.

Thus, a lot is heard about the expected tax cut for corporations. But it involves very small sums which would hardly stimulate increased expenditures for plant and equipment. A company, for example, that makes $1 million a year now pays the Government 52 percent, or $520,000 in taxes and retains $480,000. Under the changes proposed by the administration, this corporation, 3 years from now, would have a 47-percent rate and would be paying the Government $470,000. This would mean a saving of about $50,000 on present taxes.

Wouldn't any corporation prefer to see the present 52 percent retained if somehow in lieu of it the administration could pursue economic policies that would allow the corporation to make $2 million in gross profit a year, from which the Government would get $1,040,000 and the company would retain $960,000? What company wouldn't rather have $960,000 a year under existing rates than only $470,000 under the new rates?

So it isn't the tax rate but the capacity to earn more income that counts. And if most of the 42 million citizens are going to have only trifling sums more to spend each week, while prices become inflationary because of the big deficits, then a substantial number of voters are likely to lose their enthusiasm for the so-called tax cut being offered them. To make larger tax cuts, on the other hand, would only compound the problem.

Members of Congress will have to take a careful look at what they are doing on both taxes and deficits if they expect reelection in 1964, and, of course, all this will affect President Kennedy's chances for reelection, too.

[From the Christian Science Monitor, Jan. 31, 1963]

TAXES: THE LARGER PLAN

The shakedown cruise of the President's tax program has already begun. Within days of the message to Congress a dozen battles have broken out, both of ideology and conflicting special interests.

For our part we wish to keep a close eye on the central issue: an orderly tax structure which will stimulate the economy.

The Chamber of Commerce of the United States says, after studying the details of the administration program, "the promised tax reduction and tax benefits to encourage investment, provide jobs, momentum and growth do not emerge in the President's tax proposal. The emphasis is almost entirely on the importance of consumer spending."

Is this, then, a political tax program, designed to put money in the pockets of the lowest income group where the large mass of voters reside?

POLITICAL ANGLES ARE BUILT IN

The first quick answer is to say that everything is political in the field of government. No party, in any major piece of legislation, will fail to consider its own brand of practical politics. But having said this there is a good deal more to the President's initial proposals and there will be a good deal more to the interaction of political forces and the national interest during the adjustments in Congress.

The controversy of the moment concerns not only politics but an honest difference of approach. American business is chiefly concerned with incentive, as indeed we are. The President has agreed to reduce the corporation income tax, not by a minimal amount but by a sizable 5 percent which has been well received by business. It is also true that while the President offers approximately a 28-percent cut in tax rates to the large low-income group under $5,000, the group from $5,000 to $10,000 gets 23 percent, the group from $10,000 to $20,000 gets 25 percent, and the group from $20,000 to $50,000 gets 23 percent. Over $50,000 estimates range between 15 and 19 percent.

There is no gross inequality in these tax rates, but then come the substantive measures like the cut in itemized deductions which would bear down with great disproportionate weight on the middle-income group. If this and other such measures pass there would be a serious inequity.

TWO THEORIES OF INCENTIVE

At this point the honest difference of opinion sets in. Businessmen think of incentive as putting more investment money into middle income pockets and more profit into the books of businessmen who will use it to modernize and develop new products and markets. They welcome more purchasing power in the hands of low-income workers partly because it is politically inevitable that tax benefits be distributed and partly because much of this money will be spent. But they don't agree that the bulk of primary incentive can come to business via stimulated consumer spending.

A group of economists, from which many of the White House advisers are drawn, argues differently. There will be an intermediate period, they argue, before the direct incentive to investors and to business enterprises can take effect. Especially in this interim period they think that more vitality can be poured into the economy by consumer spending at a time when there is overcapacity in many industries.

ARE TWO SCHOOLS COMPATIBLE?

It is not easy to resolve this difference between two schools—those who would emphasize direct stimulus to business through the middle and upper income groups, and those who would enlarge low income purchasing power. A political settlement through compromise is expected. We hope it is not true, as some have suggested, that half measures in each direction will frustrate both. We hope it is not true that only a massive trial of the purchasing power theory or equally concentrated emphasis on the investment theory can succeed and that anything less is bound to fail.

We lean strongly toward giving direct stimulus to business an early and vigorous push. We hope the ultimate bill which emerges from Congress will provide both incentive and purchasing power without weakening the impact of either.

---

[From Newsweek magazine, Jan. 14, 1963]

A SHORTSIGHTED TAX

(By Henry Hazlitt)

Any tax cut that led to still another budget deficit—which means any tax cut not accompanied by an equal or more than equal cut in expenditures—would be a cruel deception of the American people. It could precipitate an inflation that would do immense harm. But this objection does not apply to proper tax reform. Our present system embodies rates and types of taxation that are not only inequitable, but actually reduce possible revenues at the same time as they retard economic growth.

An outstanding example is the capital-gains tax. This tax is cynically one-sided. It is a heads-I-win-tails-you-lose proposition of the Government against the taxpayer. Short-term capital gains are taxed in full, to any amount, just as if they were added income. But capital losses can be deducted only against gains, if any, and not against income, except to a maximum of $1,000 in any one year. Long-term capital gains (i.e., gains from assets held longer than 6 months) are treated similarly as compared with losses, though such capital gains are taxed at a maximum rate of 25 percent.

GAINS VERSUS LOSSES

Prior to the market collapse and depression of 1929–33, capital gains were taxed as income, and at the same rates. And capital losses were fully deductible against income. But when J. P. Morgan revealed that he had paid no income tax for the preceding year, because his capital losses exceeded his ordinary income, his statement made front-page headlines. Then Congress one-sidedly rectified matters by refusing to allow deduction of more than $1,000 a year of capital losses against income, though it continued to tax short-term capital gains in full as income.

Another gross injustice of the present capital-gains tax is that the gains it taxes are often nonexistent. Suppose a man bought stock or real estate for $10,000 in 1939 and sold it for $21,800 in 1962. He would be taxed on a long-term capital gain of $11,800. Actually, as the cost of living also rose to 118 percent in that period, he would have achieved no capital gain at all. His $21,800 in 1962 could buy no more than $10,000 bought in 1939. If he had sold his real estate or stock for $19,000, he would be taxed on a capital gain of $9,000, but he would have suffered an actual loss in real terms. Under past and prospective inflation, the long-term capital-gains tax amounts to a large extent to nothing else but capital confiscation and expropriation.

Its evils do not end there. By taxing gains in full, and short-term gains at sometimes confiscatory rates, with loss deductions only against gains (except for a token deduction against income), it discourages all investment, and particularly of risk capital. It "locks in" capital. It penalizes investors heavily for transferring investments into new ventures. It stunts economic growth.

It is hard to imagine any reform of the capital-gains tax that would not be an improvement. Here are some possible alternatives:

1. Segregate capital gains and losses from ordinary income. Tax these segregated capital gains at the same rates as ordinary income, or at a flat rate calculated to maximize revenue. Allow deduction of losses against gains, and an indefinite carry-forward of losses until absorbed.

2. Cut the rate on long-term capital gains from a maximum of 25 percent to a maximum of 10 percent.

3. Follow the example of Britain. Don't tax long-term capital gains at all. Or adopt the Swedish policy of tapering the tax off. (The Swedish taxpayer pays straight income tax on 100 percent of capital gains on assets held for less than 2 years, on only 75 percent of the gain on assets held between 2 and 3 years, on only 50 percent of the gain if the assets are held 1 year longer, on only 25 percent if held 1 year longer still, and no capital-gains tax at all if the asset is held more than 5 years.)

4. At least allow the taxpayer to deflate his alleged capital gain to allow for the rise in the consumer price index over the period involved.

5. Allow the taxpayer a tax-free transfer of capital from any investment to another (a right that now applies only to his residence).

6. Enact some variation or combination of these reforms.

## COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may be permitted to sit today while the House is in session.

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

There was no objection.

## LITHUANIAN INDEPENDENCE DAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his 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. POWELL. Mr. Speaker, on February 17, we commemorated the 45th anniversary of the restoration of independence in Lithuania. Her recent history has been a story of Lithuanian courage in the face of Soviet betrayal, of a Lithuanian struggle against the forces of Soviet domination and tyranny, and of the ability of a national minority to withstand absorption by the Soviet colossus.

The story begins on February 16, 1918, when Lithuania proudly declared its independence, ending 120 years of Russian czarist rule. The small Republic's independence was not yet assured, however, for the new Communist regime in Russia sought to regain hegemony in the Baltic. A year later the Red army entered the capital and set up a Communist government. But Lithuanian forces joined the Polish Army to drive out the Russians. In July 1920, the Soviet Union signed a peace treaty with Lithuania recognizing its independence and renouncing all rights of sovereignty over the country. The treaty stated:

Russia recognizes without any reserve the sovereignty and independence of the State of Lithuania with all juridical consequences resulting from such recognition, and voluntarily and forever renounces all sovereign rights possessed by Russia over the Lithuanian people and territory.

During its 20 years of independence, Lithuania made great progress in developing a stable democratic government. The improvement of agriculture, the main occupation of Lithuanians, was given high priority. A program of land reform turned Lithuania into a nation of small, self-reliant farmers. Social legislation was adopted, and progress was made in education.

In the international sphere, Lithuania signed a nonaggression pact with the Soviet Union in 1926. The treaty reaffirmed Lithuanian independence in these terms:

The Lithuanian Republic and the Union of Socialist Soviet Republics undertake to respect in all circumstances each other's sovereignty and territorial integrity and inviolability.

Each of the two contracting parties undertakes to refrain from any act of aggression whatsoever against the other party.

These international commitments, however, meant little to the Soviet Union. In 1939 the Lithuanians were forced to accept a treaty which permitted Soviet garrisons to be stationed in the country and Soviet airbases to be constructed on Lithuanian soil. This first step led inevitably to complete occupation, which in fact occurred the following year. The last phase in hte Soviet takeover was the formal incorporation of Lithuania as a constituent republic of the U.S.S.R.

This is a sad narration of the seeming triumph of might over right, of power politics over international legality. But the story is not finished. The Lithuanians have a long history of valiant resistance to foreign domination. This history encourages our hopes that they will some day emerge from the darkness of tyranny into the bright daylight of freedom.

## ADDRESS BY AMBASSADOR ADLAI E. STEVENSON, U.S. REPRESENTATIVE TO THE UNITED NATIONS, ON ACCEPTANCE OF 10TH ANNUAL PATRIOTISM AWARD OF THE SENIOR CLASS OF THE UNIVERSITY OF NOTRE DAME, SOUTH BEND, IND., FEBRUARY 18, 1963

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] 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 Oklahoma?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, I was honored to be present on the occasion of the presentation of the 10th annual Patriotism Award of the senior class of the University of Notre Dame to the distinguished representative of the United States to the United Nations, Ambassador Adlai E. Stevenson.

For the last 10 years the senior class of the University of Notre Dame has voted to select an outstanding American to receive this award. Previous recipients of the award include President John F. Kennedy, Attorney General Robert F. Kennedy, former Vice President Richard M. Nixon, J. Edgar Hoover, Bishop Fulton J. Sheen, Gen. Curtis E. LeMay, Dr. Wernher von Braun, Adm. Hyman C. Rickover, and Leslie Townes (Bob) Hope.

The outstanding service which Ambassador Stevenson has given to our country throughout his career in public life and at the present time as U.S. representative to the United Nations make it particularly fitting that the Notre Dame senior class should have selected him for this honor this year.

The award was presented to Ambassador Stevenson at the university's annual Washington's Birthday exercises which were attended by some 3,000 Notre Dame students and faculty and their guests.

CITATION OF PATRIOTISM AWARD

Before including Ambassador Stevenson's address, I wish to include the citation which accompanied the Patriotism Award:

PATRIOTISM AWARD

Greetings: In welcoming you, sir, we express gratitude for your presence, recognizing, as we must, the never-failing greatness of your service to our Nation, of your constant realization of the value and meaning of the American land and its traditions. A distinguished Governor of a most important State, an extraordinary candidate for the Presidency, you have really talked sense to the American people at all times. With gold of mind and heart, with grace of voice and language, you have always tried to provide form against formlessness, order against disorder, truth against terror, and charity against violence. You have succeeded.

Today, as U.S. Ambassador to the United Nations, you have made us all proud. Clearly you have won the confidence and admiration of the countries of the troubled world. Daily you forge on the international forum a true conscience and firm reason among leaders that could bring about the rescue of humanity in this perilous passage of its history. You have indeed helped to draw the far countries closer to us and merited the love of those whose ways and customs are alien to our own.

So we would honor you now, sir, and praise you as an unselfish and courageous philosopher-statesman, as the very embodiment in contemporary society of the ideals of freedom and justice which our Founding Fathers treasured and desired to come to pass through the generations.

The text of Ambassador Stevenson's address, entitled "Patriotism and Beyond," follows:

PATRIOTISM AND BEYOND

I am most grateful to the members of the senior class for choosing me as the recipient of the Notre Dame Patriotism Award. It is a great compliment, and it is also nice to win an election—especially when you haven't won one for a long time—and especially when the prize brings with it not headaches, but the headiness of pride and satisfaction.

Coming from the students at this distinguished center of learning, which has such an exalted tradition of service to God and country, it is as gratifying a recognition as I shall ever receive.

This is by no means my first visit to Notre Dame, and that you have honored me so extravagantly this time makes amends for anyone who voted for the other fellow the last time I was here. All is forgiven.

And I like to think that my occasional visits here are not my only connection with Notre Dame. I remind you that your founder, Father Edward Sorin, brought to the Indiana prairie some Sisters of the Holy Cross and established the Notre Dame Mother House. Mother Angela, who became its head, went to school as a girl with her cousin, Ellen Ewing, who later became the wife of William Tecumseh Sherman. Now Ewing is my middle name, and I lean to the belief that a bond exists between Ellen Ewing and Adlai Ewing, and therefore between me and Father Sorin, and therefore between Notre Dame and me.

Perhaps your professors would not give me a passing grade for such involved reasoning, but my research discloses one more fact, which I believe they would approve. That remarkable lady, Mother Angela, good Catholic though she was, taught for a while at an Episcopalian Seminary, which strikes me as a sort of ecumenical movement of that hour, and a proof of the pluralism of the early America from which has sprung so much of our strength and vitality.

We need look no further, if more proof is needed, than at the diversity of faiths represented on your campus. This is a Catholic institution, but its doors are open to all, in keeping with the American tradition of respect and tolerance for all religions and races. And now, at long last, the doors of the White House itself have opened to a Catholic, a remarkable and gifted President, with whom that precious American tradition of tolerance has taken a long leap forward.

For bigotry and freedom are incompatible. If freedom is not to be self-destructive, it must be tolerant. It must be mature enough to face the dual nature of all human relationships—part conflict, part community—and it must always stress community and tolerance as the higher principle. This is an old, revered truth spoken by the Apostle Paul, reminding his flock in Galatia that, in their Christian fellowship, "There is neither Jew nor Greek," and today we could add Baptist or Methodist, Negro or white. Even Unitarian, I hope.

But I have not exhausted my research. Did you know that the year Notre Dame was founded was also the year that an anesthetic was first used—sulfuric ether gas? I think it has been administered to me more than once in my public life by politicians, writers and even magazines. And in due course many of you won't escape it. I can suggest an antidote I discovered a long time ago in the schoolboy notebook of the great patriot we honor today, George Washington: "Labor to keep alive in your breast that little spark of celestial fire—conscience." I commend it to you—this spark of celestial fire. With it falsehood is routed; with it we can survive our Valley Forges; with it patriotism becomes a shield, not a weapon.

PATRIOTISM THE DEDICATION OF A LIFETIME

And, as you've honored me for patriotism, perhaps I should tell you what I think about that much abused word. Ten years ago I said to an American Legion convention that "What it means to me is a sense of national responsibility which will enable America to remain master of her power—to walk with it in serenity and wisdom, with self-respect and the respect of all mankind; a patriotism that puts country ahead of self; a patriotism which is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime. The dedication of a lifetime—these are words that are easy to utter, but this is a mighty assignment. For it is often easier to fight for principles than to live up to them."

It is not easy to be a patriot these days—not because it is difficult to love one's country. The difficulty lies not with the love—but with loving one's country in the right way.

The love itself is profound and instinctive, rooted in our childhood discovery of all the infinite delights of being alive—for me, the vast skies, the spring green of the corn, the fall colors and winter snow of the Illinois prairies: for all of us, the shining Christmas trees, the colored mesas and bright flowers of the desert, the rocky shores and pounding seas "way down East," the aspens showering autumn gold on the slopes of the Rockies.

It doesn't matter what your picture is. For all of us, it is "home," the place where we spent the endless, dream-filled days of childhood, the place that still nourishes our secret, lifegiving imagination, the place we love as we love bread, as we love pure water, as we love the earliest image of maternal care, as we love life itself. No, it is not difficult to love our country. In doing so, we love what has largely made us what we are. The difficulty is, as I have said, to love it in the right way.

I think the complexity of modern technological society makes the loving difficult for everybody—as I shall try to show. But I want to start with us here in America, because we have some quite special problems, which come not from our complex present but from our historical inheritance.

Some states emerge from some preexisting tribal unity, some grow up within an already established culture, and some are forged by conquest, victor and vanquished settling down to a new synthesis.

None of these routes was followed by America. Our people have come from every "tribal" group, they have largely had to create their own civilization as they went along to absorb a continent. They have never been conquered or had any sort of synthesis imposed upon them. Their community had, in fact, a unique beginning—it was from the moment of its birth a land "dedicated to a proposition"—that men are born equal, that government is a government of laws, not men, and exists to serve them, that "life, liberty and the pursuit of happiness" are man's inalienable rights.

But consider the consequences of this astonishing start. We are Americans because we belong to a certain ideal, visionary type of political and social order. We can't point back to a long, shared civilization. It is true, most of us have Europe and the West behind us. But not all—and, anyway, it is a concept of the West that we create rather than inherit. And no one is standing on our necks keeping us down and together.

The result is a community, surely, whose instinctive, rooted, inherited, taken-for-granted unity is much less than is normal in the world and whose intellectual, ideal, created and worked-at unity has to be all the more dynamic. If we are not dedicated to our fundamental propositions, then the natural cement in our society may not be enough to take the strain.

I would agree that there are substitutes. When a president said that "The business of America is business," he told us something about the degree to which a standard of living can do stand-in duty for a way of life. But the question, "What manner of people are we?" cannot be everlastingly answered in terms of two-car families or split-level homes.

AMERICA IS MUCH MORE THAN A GEOGRAPHICAL FACT

And if the gods of the market give no answers, neither, for us, do the gods of the tribe. We come back to our propositions. America is much more than a geographical fact. It is a political and moral fact—the first community in which men set out in principle to institutionalize freedom, responsible government, and human equality. And we love it for this audacity! How easy it is, contemplating this vision, to see in it—as Jefferson or Lincoln saw in it—"The last, best hope of man." To be a nation founded on an ideal in one sense makes our love of country a more vital and dynamic force than any instinctive pieties of blood and soil.

But it also demands a more complex and discriminating love. Will the fabric hold if the ideal fades? If the effort to realize our citizens' birthright of freedom and equality is not constantly renewed, on what can we fall back? As a going concern, we can no doubt survive many shocks and shames. It was Adam Smith who remarked that "There is a great deal of ruin in every state." But can we survive, as a great, dynamic, confident and growing community, if the essentially liberal thrust of our origins is forgotten, if we equate liberty with passive noninterference, if we exclude large minorities from our standards of equality, if income becomes a substitute for idealism, consumption for dedication, privilege for neighborly good will?

Well, you may say, "Why be so concerned; after all, one of the most forceful elements of our free society is precisely our discontent with our own shortcomings. Haven't you yourself said that 'self criticism is our secret weapon'? Because we are free, because we are not the victims of censorship and manipulated news, because no dictatorial government imposes on us its version of the truth, we are at liberty to speak up against our shortcomings. We don't confuse silence with success. We know that 'between the idea and the reality falls the shadow,' and we are determined to chase away that shadow in the uncompromising light of truth."

But are we? It is a this point that our patriotism, our love of country, has to be a discriminating, not a blind force. All too often, voices are raised in the name of some superpatriotism, to still all criticism and to denounce honest divergencies as the next thing to treason. Thank God, we have risen up from the pit of McCarthy's time, when honest men could lose their jobs for questioning whether there were 381 known Communists in the State Department. But the intolerant spirit which equates responsible criticism with "selling the country short" or "being soft on communism" or "undermining the American way of life" is still abroad.

You will meet it—no doubt you have met it already—and I can give you no comfort in suggesting there is an easy way out and around this type of criticism. Our position today is equivocal. We are in one sense a very conservative people—for no nation in history has had so much to conserve. Suggestions that everything is not perfect and that things must be changed do arouse the suspicion that something I cherish and I value may be modified. Even Aristotle complained that "everyone thinks chiefly of his own, hardly ever of the public interest." And our instinct is to preserve what we have, and then to give the instinct a colored wrapping of patriotism.

This is in part what the great Dr. Johnson meant when he said: "Patriotism is the last refuge of scoundrels." To defend every abuse, every self-interest, every encrusted position of privilege in the name of love of country—when in fact it is only love of the status quo—that indeed is the lie in the soul to which any conservative society is prone.

A DYNAMIC AND EQUAL SOCIETY OF FREEMEN

We do not escape it—but with us, an extra edge of hypocrisy attaches to the confusion, for, once again, I repeat, our basic "social contract," our basic reason for being a state is our attempt to build a dynamic and equal society of freemen. Societies

based on blood ties can perhaps safely confuse conservatism and patriotism. People with long backward-looking traditions can perhaps do so. Countries under the heel of dictators must do so. But if the world's first experiment in the open society uses patriotism as a cloak for inaction or reaction, then it will cease to be open and then as a social organism, it will lose its fundamental reason for existence.

Do not, therefore, regard the critics as questionable patriots. What were Washington and Jefferson and Adams but profound critics of the colonial status quo? Our society can stand a large dose of constructive criticism just because it is so solid and has so much to conserve. It is only if keen and lively minds constantly compare the ideal and the reality and see the shadow—the shadow of self-righteousness, the shadows of slums and poverty, the shadow of delinquent children, the shadow of suburban sprawls, the shadow of racial discrimination, the shadow of interminable strikes—it is only then that the shadows can be dispelled and the unique brightness of our national experiment can be seen and loved.

The patriots are those who love America enough to wish to see her as a model to mankind. They love her, of course, as she is, but they want the beloved to be more lovable. This is not treachery. This, as every parent, every teacher, every friend must know, is the truest and noblest affection. No patriots so defaced America as those who, in the name of Americanism, launched a witch hunt which became a byword around the world. We have survived it. We shall survive John Birchism and all the rest of the superpatriots—but only at the price of perpetual and truly patriotic vigilance.

This discriminating and vigilant patriotism is all the more necessary because the world at large is one in which a simple, direct, inward-looking nationalism is not enough. Let me give you only two instances of the intricacies of our modern interdependence.

COMMUNIST HOSTILITY A FORMIDABLE FORCE

We face in Communist hostility and expansionism a formidable force, whether Mr. Khrushchev and Mr. Mao Tse-tung pull together or apart. Their disagreement so far only turns on the point whether capitalism should be peacefully or violently buried. They are both for the funeral. So long as this fundamental objective remains, we must regard the Communist bloc as a whole with extreme wariness.

Even if the Communists are divided and confused everywhere, even if they have scored of late none of the victories in Africa, east Asia, and the Middle East our doomsayers predicted, still the Communist bloc is aggressive and powerful and determined to grow more so. Taken individually, the European states are all outnumbered. Even America has only a margin of superiority over the tough, austere Soviet Union. Even if the Russian forces in Cuba are not going to conquer the Americas, still their presence in this hemisphere endangers the peace.

So we have sensibly concluded in the NATO Alliance that our separate sovereignties and nationalisms must be transcended in a common, overwhelming union of deterrent strength. Together our weight keeps the balance of power firmly down on our side, and it removes from each state the temptation of playing off one state against another and weakening the overall power in order to strengthen its own. This is the first reason for transcending narrow nationalism.

The second follows from our economic interdependence. The Atlantic world has taken 70 percent of world trade and absorbed 70 percent of its own investments for the last 70 years. We are an interwoven international economy. Bank rates in Britain affect investments in New York. Restrictions here affect carpetmakers in Belgium. French farmers affect everybody. We can only avoid the failure of our interwar mismanagement of this community if we pursue joint policies. Those my friend Jean Monnet has outlined are on the essential list: expansion of demand, currency stability, investment overseas, trade with the developing nations, reserves for world trade. Without joint policies here, we could easily slip back to the debacle of the period between the great civil wars of Europe of 1914 and 1939.

In this context, separate, divisive nationalism is not patriotism. It cannot be patriotism to enlarge a country's illusory sense of potency and influence and reduce its security and economic viability. True patriotism demands that in some essential categories, purely national solutions be left behind in the interest of the nation itself. It is this effort to transcend narrow nationalism that marked the supremely successful Marshall plan. It marks the great enterprise of European unification—after so many tribal wars. It could mark the building of an Atlantic partnership as a secure nucleus of world order. The fact that General de Gaulle seems to want to retreat to older ideas of national supremacy and grandeur must not deter us. It should not be hard for us to understand why France might want a greater role in Europe and in the control of our common defense. And by the same token it should not be hard for France to understand why we want Europe to shoulder a larger share of that common defense. We can reexamine the terms of our alliance, but surely the world is not yet so safe that anyone can afford to break it up.

So our vision must be of the open society fulfilling itself in an open world. This we can love. This gives our country its universal validity. This is a patriotism which sets no limits to the capacity of our country to act as the organizing principle of wider and wider associations, until in some way not yet foreseen, we can embrace the family of man.

A DECENT RESPECT FOR THE OPINIONS OF MANKIND

And here our patriotism encounters its last ambiguity. There are misguided patriots who feel we pay too much attention to other nations, that we are somehow enfeebled by respecting world opinion. Well, let me remind you that "a decent respect for the opinions of mankind" was the very first order of business when the Republic was created; that the Declaration of Independence was written, not to proclaim our separation but to explain it and win other nations to our cause.

The Founding Fathers did not think it was soft or un-American to respect the opinions of others, and I want to put it to you that today for a man to love his country truly, he must also know how to love mankind. The change springs from many causes. The two appalling wars of this century, culminating in the atom bomb, have taught all men the impossibility of war. Horace may have said: "It is sweet and fitting to die for one's country." But to be snuffed out in the one brief blast of an atomic explosion bears no relation to the courage and clarity of the old limited ideal.

Nor is this a simple shrinking from annihilation. It is something much deeper—a growing sense of our solidarity as a human species on a planet made one and vulnerable by our science and technology. That cry of John Donne: "Send not to ask for whom the bell tolls," echoes round the world, reaching, I believe, deeper and deeper levels of consciousness.

For, on this shrunken globe, men can no longer live as strangers. Men can war against each other as hostile neighbors, as we are determined not to do; or they can coexist in frigid isolation, as we are doing. But our prayer is that men everywhere will learn, finally, to live as brothers, to respect each other's differences, to heal each other's wounds, to promote each other's progress, and to benefit from each other's knowledge. If the evangelical virtue of charity can be translated into political terms, aren't these our goals?

Aristotle said that the end of politics must be the good of man. Man's greatest good and greatest present need is, then, to establish world peace. Without it, the democratic enterprise—one might even say the human enterprise—will be utterly, fatally doomed. I need not belabor that point. It is clear to all of us that war under modern conditions is bereft of even that dubious logic it may have had in the past. With the development of modern technology, the "victory" in war has become a mockery. What victory—victory for what or for whom?

Perhaps younger people are especially sensitive to this growing conviction that nowadays all wars are civil wars and all killing is fratricide. The movement takes many forms—multilateral diplomacy through the United Nations, the search for world peace through world law, the universal desire for nuclear disarmament, the sense of sacrifice and service of the Peace Corps, the growing revulsion against Jim Crowism, the belief that dignity rests in man as such, and all must be treated as ends, not means.

But whatever its form, I believe that, far from being in any sense an enemy to patriotism, it is a new expression of the pietas and respect for life from which all true love springs. We can truly begin to perceive the meaning of our great propositions—of liberty and equality—if we see them as part of the patrimony of all men. We shall not love our corner of the planet less for loving the planet too, and resisting with all our skill and passion the dangers that would reduce it to smouldering ashes.

POPE JOHN XXIII AND THE HUMAN FAMILY

And, if I may for a moment speak to you all as members of a great Catholic university, I hope you will not mind my saying that of all the leaders in the world at this moment seeking to give guidance and counsel to the human race, I know of none who so radiates a sense of paternal regard for all God's children, as Pope John XXIII. Again and again he returns to this concept of "the human family"—"the sons of God," "the brotherhood of all mankind." Whether he is inviting all men of good will to pray for spiritual unity, or pleading with all wealthy nations to acknowledge their physical obligations to the less fortunate, one feels that before his eyes the vast restless species of mankind appears indeed as a true family—troublesome, no doubt, confused, bewildered, easily misled, easily cast down, but one which must be loved and sustained, and treasured as parents love their family and patriots their land. He adds, in short, the extra dimension of a universal patriotism and makes the brotherhood of man not a cliche, but a living, burning truth.

I can, therefore, wish no more for your profound patriotism as Americans than that you will add to it a new dedication to the worldwide brotherhood of which you are a part and that, together with your love of America, there will grow a wider love which seeks to transform our earthly city, with all its races and peoples, all its creeds and aspirations, into St. Augustine's "Heavenly city where truth reigns, love is the law, and whose extent is eternity."

---

## REPORT OF COMMISSIONER OF IMMIGRATION AND NATURALIZATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WALTER] 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 Oklahoma?

There was no objection.

Mr. WALTER. Mr. Speaker, pursuant to the provisions of the so-called Fair Share Act, Public Law 86–648, as amended on June 28, 1962, by section 6 of Public Law 87–510, the Commissioner of Immigration and Naturalization has submitted to the Congress his report on the fifth 6-month period of operations authorized by the two statutes.

For the information of the House, I submit the latest report, inviting the attention of my colleagues to the steadily diminishing number of refugees desiring to enter the United States or otherwise seeking resettlement outside of Europe and the Near East. In my opinion, the laws enacted in 1960 and in 1962 have very well served their purpose in expediting the closing of the remaining refugee camps in Europe. Commissioner Farrell's report is as follows:

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
*February 13, 1963.*

Hon. JOHN W. MCCORMACK,
*Speaker of the House of Representatives,*
*Washington, D.C.*

DEAR MR. SPEAKER: The act of July 14, 1960 (Public Law 86–648), having been extended indefinitely by the enactment on June 28, 1962, of Public Law 87–510, operations pursuant thereto have continued. During the fifth 6-month period ending December 31, 1962, refugee operations under the act were conducted in Austria, Belgium, France, Germany, Greece, Italy, and Lebanon, countries in which the Department of State has determined that refugee situations exist.

The number of refugees registered under the act dropped from 5,217 during the preceding 6-month period to 2,435 registrations during the period ending December 31, 1962. This was the smallest number of registrations received during any 6-month period since enactment of the law. Service officers administering the refugee program in Europe report that the small number of registrations during the period, as compared to the number of registrations during each of the four previous 6-month periods, appears to be attributable mainly to two factors. During May and June 1962, the voluntary agencies made a concerted effort to complete the registrations of all refugees who might qualify for parole under Public Law 86–648, because the law was due to expire on July 1, 1962, thereby substantially reducing the number of potential applicants remaining in the various countries. Secondly, it appears that various countries are not granting refugee status as freely as in the past to persons who enter those countries claiming asylum, particularly from Yugoslavia.

Comparative statistics for the five periods are tabulated below:

| | Period | | | | | Total |
|---|---|---|---|---|---|---|
| | 1st | 2d | 3d | 4th | 5th | |
| Authorized by statutory fair share | 5,571 | 3,705 | 4,140 | 3,074 | 2,485 | 18,975 |
| Pending beginning of period | 0 | 500 | 1,059 | 289 | 899 | ------ |
| Registered during period | 6,334 | 4,191 | 3,635 | 5,217 | 2,435 | 21,812 |
| Total registered (pending plus received) | 6,334 | 4,691 | 4,694 | 5,506 | 3,334 | ------ |
| Found qualified for parole | 4,570 | 1,737 | 3,015 | 3,074 | 1,630 | 14,026 |
| Rejected or otherwise closed | 1,264 | 1,895 | 1,390 | 1,533 | 1,247 | 7,329 |
| Pending end of period | 500 | 1,059 | 289 | 899 | 457 | ------ |

Necessary assurances having been received, 315 refugees have been approved under section 2(b) of the act as "difficult to resettle" cases and have been referred to the Intergovernmental Committee for European Migration for transportation to the United States. An additional 63 cases have been referred to the voluntary agencies for documentation under this section. Assurances of housing and employment having been received, a total of 11,860 refugees, including the 315 approved under section 2(b) of the act, have been referred to the Intergovernmental Committee for European Migration.

As of December 31, 1962, a total of 10,322 refugee-escapees approved under the act of July 14, 1960, had arrived in the United States, as follows:

| Country of flight | During 1st, 2d, 3d, and 4th periods | During 5th period | Total |
|---|---|---|---|
| Albania | 326 | 45 | 371 |
| Bulgaria | 149 | 24 | 173 |
| Czechoslovakia | 4 | 8 | 12 |
| East Germany | 2 | 2 | 4 |
| Estonia | 11 | 3 | 14 |
| Hungary | 1,001 | 148 | 1,149 |
| Iraq | 6 | 0 | 6 |
| Latvia | 50 | 16 | 66 |
| Lithuania | 39 | 0 | 39 |
| Poland | 735 | 89 | 824 |
| Rumania | 1,224 | 569 | 1,793 |
| Syrian Arab Republic | 39 | 0 | 39 |
| Turkey | 5 | 2 | 7 |
| U.A.R. (Egypt) | 1,116 | 681 | 1,797 |
| U.S.S.R. | 84 | 3 | 87 |
| Yugoslavia | 3,462 | 479 | 3,941 |
| Total | 3,253 | 2,069 | 10,322 |

During the fifth period, 479 refugees who had fled from Yugoslavia arrived in the United States, as compared to an average of 866 such arrivals during each of the first four periods. A large number of the 479 who arrived during the fifth period had been approved for parole during the preceding 6-month period. This reduction in the number of refugees from Yugoslavia reflects the decrease in the number of persons from that country who are found to qualify as refugee-escapees in accordance with the provisions of the act of July 14, 1960.

Established screening procedures resulted in 302 cases being rejected during the period on the following grounds:

| | |
|---|---|
| Ineligible | 90 |
| Security risks | 23 |
| Criminal | 11 |
| Medical rejects | 4 |
| Immorality | 1 |
| Undesirability | 29 |
| Split families (spouses and children left behind in country of origin) | 46 |
| Firmly settled | 45 |
| Spouses and children of above principals | 53 |
| Total | 302 |

During the fifth period, 945 cases were closed because the applicants had taken advantage of resettlement in other countries or had withdrawn their applications for other reasons.

Registrations in the various countries during the program have been as follows:

| Country | In camp | Out of camp | Total |
|---|---|---|---|
| Austria | 878 | 1,873 | 2,751 |
| Belgium | ------ | 1,428 | 1,428 |
| France | ------ | 7,354 | 7,354 |
| Germany | 579 | 2,786 | 3,365 |
| Greece | 779 | 208 | 987 |
| Italy | 3,099 | 791 | 3,890 |
| Lebanon | ------ | 2,037 | 2,037 |
| Total | 5,335 | 16,477 | 21,812 |

The following is a tabulation of registrations received during the period in the order of established priority classifications:

| | |
|---|---|
| 1. Status of refugee acquired prior to Jan. 1, 1958 | 373 |
| (a) Camp residents | 36 |
| (b) Out-of-camp residents | 337 |
| 2. Status of refugee acquired since Jan. 1, 1958 | 2,062 |
| (a) Camp residents | 672 |
| (b) Out-of-camp residents | 1,390 |
| Total | 2,435 |

During the fifth period, the Congress approved private laws for two aliens in the United States with the provision in one case, that sections 1 through 4 of the act of July 14, 1960, shall be applicable and in the second, with the provision that the alien shall be held and considered to have been paroled into the United States as provided for in said act.

During the period beginning January 1, 1963, aliens who have been in the United States for at least 2 years following parole as refugee-escapees will be inspected and examined for admission, pursuant to section 3 of the act.

In compliance with the provisions of section 2(a) of the act, detailed reports on individuals paroled into this country are attached.

Sincerely,

RAYMOND F. FARRELL,
*Commissioner.*

## MANPOWER DEVELOPMENT AND TRAINING

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] 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 Oklahoma?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I should like to insert in the RECORD the following letter which was received by my colleague, Congressman ELMER J. HOLLAND, the originator of the Manpower Development and Training Act, the program we started last year to provide training for new skills for our unemployed whose jobs had been eliminated due to automation and other recent technological developments.

We passed that program last spring with the intention of having these training courses start July 1, 1962. However, due to lack of appropriations it was impossible to begin any classes before September 1 and, with the amount of money finally appropriated, cut $30 million—providing only $70 million for the national program—the Departments charged with the responsibility of administering the program could not initiate as many courses as they had originally planned.

Nevertheless, the Department of Labor and the Department of Health, Education, and Welfare, proceeded as best they could and, I understand, by the end of 1962 over 13,000 unemployed men, women, and unemployed youth were attending training classes throughout the Nation. I rather imagine the total has increased considerably during the past

7 or 8 weeks as the momentum of the program grows.

Those of us who were for this program originally recognized the great need for it—from an economical viewpoint, men and women could be removed from public assistance rolls—where they probably would have to remain until eligible for social security benefits—and eventually become self-sustaining once more, thereby lessening the tax load on both State and Federal Governments, and, from a humanitarian viewpoint, men and women and our unemployed youth, whose outlook for the future was desolate and bleak, could actually secure a new lease on life and faith in our way of life and our form of government could be rekindled by the realization that the elected leaders of our Nation—Members of Congress and our President—were interested in their plight and felt the Federal Government had a responsibility to help our citizens become adequately trained, thereby enabling them to help themselves.

Many of us realize that much is yet to be done for those already in the ranks of the unemployed and those new recruits—who are daily joining those ranks with the continued modernization of plant facilities and business offices that are converting to computers and similar equipment.

Criticism of the program and objections to its original enactment, let alone its continuation and enlargement, have been heard from various segments of our society. There is little doubt more will be expressed, and complete news coverage will be given it—for, although critics of Federal programs are nothing new, they seem to make news.

On the other hand the good this program is doing, the hope it has rekindled in the hearts of those participating in it, and the faith that we will eventually conquer this growing malignancy of unemployment in our land have been given little publicity.

For this reason, Mr. Speaker, I ask my colleagues in the House and Senate to read the following letter that Congressman HOLLAND received from 20 men—students in one of our retraining programs in Pittsburgh—ranging in age from 22 to 56 years.

I believe the expression of their personal feelings is a typical example of how the thousands now participating in this program, as well as those who hope to join it, actually feel.

These men know the road ahead will not be easy but they are willing and anxious to learn and to work and hope has been regained and faith in America reaffirmed.

The proof of the success of the Manpower Development and Training Act is here.

The letter follows:

FEBRUARY 15, 1963.

HON. ELMER J. HOLLAND.

DEAR SIR: It is not easy to sit down and write a letter to a person in high public office. Especially when you want to say thank you and you know it isn't expected of you. But we wanted someone to know how we appreciate what we have.

We're a mixed group of all ages running from 22 to 56. We all have one thing in common. We're out of work.

It's a real shock to work for a company 10 or 20 years and then find yourself out of a job. You look for something else and find nothing. Then you collect your unemployment checks (thank heaven for them) and wait. Nothing happens. You become desperate. Just when you've about given up and are ready to pack up your family and move, you find out someone cares and is trying to do something about it. The something was the Manpower Training Act.

We're in the refrigeration and air conditioning class at Conley Vocational High School in Pittsburgh, Pa. We know it won't be easy even with the training we are receiving but at least we are hopeful and have something to look forward to. With the excellent facilities, tools, and fine instructor we know we'll have a future.

In closing we would like you to know we will do our best to prove this program a good one and to use a well-worn phrase, Where else could this happen but here?

Sincerely yours,

C. K. Reese, S. A. Roble, J. F. Lynd, R. G. Saltzman, F. J. Bubush, C. W. Ardinger, R. H. Baugher, R. S. Scott, D. A. Myers, H. Mander, F. S. Pokrywka, L. P. D'Ambrosio, David P. Hosch, Robert G. Johnson, Robert Calhoun, Edward M. Kehut, Roy W. Arnold, Thomas Davis, Jr., J. Bridge, J. K. Carver, class of refrigeration, Conley Vocational High School, Pittsburgh, Pa.

## FEDERAL INVESTIGATION OF BOMBINGS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. PUCINSKI] 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 Oklahoma?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, I have today introduced legislation which would give the Federal Government jurisdiction in investigating bombings of business establishments, houses of worship, and other private property.

This legislation, in my judgment, is necessary because we have reason to believe that the number of recent bombings of restaurants in Chicago have been committed by people who have been brought to our city from other parts of the country. Local authorities have a most difficult time in tracking down these terrorists, and for that reason I feel we can strengthen the ends of justice by giving the Federal Government jurisdiction to participate in bombing investigations.

My bill, amending section 837 of title 18, United States Code, creates a rebuttable presumption that section 837(a) has been violated, if property used for educational, religious, charitable, residential, business, or civic purposes is bombed. In other words, if enacted, the bill would enable the Federal Bureau of Investigation to participate immediately in the investigation of any such bombing.

The approach taken in the bill is similar to that taken in the Lindbergh Kidnaping Act—18 U.S.C. 1201(b)—which provides that:

Failure to release the victim within 24 hours after he shall have been unlawfully seized * * * shall create a rebuttable presumption that such person has been transported in interstate or foreign commerce.

A similar presumption, relating to possession of explosives, is also established under subsection (c) of section 837.

I might add, Mr. Speaker, that the penalty for the above-mentioned offenses would be 1 year in prison and/or $1,000 fine if no injuries occur as a result of the bombing; up to 10 years in jail if bodily injury occurs to any victim of such bombing; and up to life imprisonment or death if any victim of such bombing dies as a result of such bombing.

I do hope that the appropriate committee will give this bill proper consideration and will give the House an opportunity to vote on this measure by reporting it favorably.

My bill follows:

H.R. 4058

A bill to amend title 18 of the United States Code to provide that the bombing of certain buildings will create a rebuttable presumption that a Federal criminal offense has been committed for purposes of investigation by the Federal Bureau of Investigation, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (b) of section 837 of title 18, United States Code, is amended by adding at the end thereof the following new sentence: "The use of any explosive to damage or destroy any building or other real or personal property used for educational, religious, charitable, residential, business, or civic objectives shall create a rebuttable presumption that such explosive was transported in interstate or foreign commerce with the knowledge or intent that it was to be used for such purpose."

## VOCATIONAL REHABILITATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. FOGARTY. Mr. Speaker, today I have introduced the Vocational Rehabilitation Act Amendments of 1963, the general purpose of which is to expand and improve the vocational rehabilitation program. I would like to make a brief statement explaining the bill and why I think it is important at this time.

The vocational rehabilitation program is one of our Federal-State grant-in-aid programs, one of our oldest and most effective. With financial and technical assistance from the Federal Government, all of the States, Guam, Puerto Rico, and the Virgin Islands operate vocational rehabilitation programs. The purpose of the programs is to rehabilitate into remunerative employment physically and mentally impaired persons who are handicapped in their efforts to get or maintain employment.

As chairman of the Appropriations Subcommittee which reviews requests for appropriations for vocational rehabilitation each year, I have had an opportunity to become acquainted with the operation of this program in detail.

I have been extremely gratified at the progress that has been made. In fiscal 1962, rehabilitations reached an alltime high of over 100,000, and I have every reason to believe that the quality of vocational rehabilitation services is improving as the number of rehabilitations increase. The Office of Vocational Rehabilitation, now the Vocational Rehabilitation Administration, has had inspired leadership from Miss Mary Switzer, its Commissioner, and the States programs have had excellent direction.

As I have commended the progress of vocational rehabilitation programs, I have also recognized their shortcomings. On a number of occasions, the Appropriations Committee had directed attention to unmet needs. The committee has felt, for instance, that sufficient emphasis has not been put upon the rehabilitation of the mentally retarded, the mentally ill, the cerebral palsied, and the deaf. All of these categories present special problems. We have been gratified to see the State rehabilitation agencies rehabilitating a steadily increasing number of handicapped people in these categories, but we believe that it is possible to make a great deal more progress in this direction. We have been disappointed that some States have not seen fit to expand their vocational rehabilitation programs as rapidly as they should have. Since we believe it is in the public interest that we have as many handicapped people rehabilitated as possible, it is distressing that a number of States are allowing substantial Federal allotments of funds to go unused, because their State legislatures will not appropriate the sums necessary to match the Federal funds available.

We recognize, however, that not all of the difficulties encountered by the Vocational Rehabilitation Administration and the States can be overcome simply through the appropriation of additional funds. Certain changes in the vocational rehabilitation laws will undoubtedly expedite the expansion and improvement of these programs, and this legislative proposal is directed toward the solution of these problems. The bill I have just introduced is similar to H.R. 3523, which I introduced into the 87th Congress. I shall discuss the major provisions of the bill.

REHABILITATION EVALUATION SERVICES

One of the most important aspects of any vocational rehabilitation program is the determination of the rehabilitation potential of the handicapped individual. In fact, if this part of the process falls down, the rehabilitation program for the individual may be both costly and ineffective. This is an exceedingly difficult part of a vocational rehabilitation program, one to which a great deal of attention needs to be directed. In this legislative proposal, we have provided for a separately financed program for rehabilitation evaluation services. The Federal share of expenditure for the States rehabilitation evaluation services would be 75 percent. Rehabilitation evaluation services are defined to include: First, evaluation of medical, psychological, social and vocational aspects of an individual's physical and mental impairment and rehabilitation potential; second, the determination of rehabilitation services necessary to realize these potentials; and third, provision of any goods or services to an individual who is under a physical or mental disability during a period not to exceed 6 months, or not to exceed 18 months with the mentally retarded and other categories defined by the Secretary, during which time rehabilitation potential is being determined; and fourth, the determination of appropriate deferral of such individuals for rehabilitation services or other needed services which may not be provided by the State rehabilitation agency.

The enactment of this section of the bill will be of great significance to the rehabilitation movement. Since the bill specifies that rehabilitation services may be provided for the purpose of determining rehabilitation potential for stated periods of time, and the determination is not limited to the determination of vocational rehabilitation potential, the State vocational rehabilitation agencies will be encouraged to be more liberal in the acceptance of severely handicapped individuals for evaluation services. This legislation should result in rapid expansion and improvement of rehabilitation evaluation services in the State agencies, which is often considered the weakest link in the entire program of rehabilitation. The increased ability of State rehabilitation agencies to purchase rehabilitation evaluation services should result in far greater utilization of such evaluation services in existing workshops and rehabilitation centers and in the expansion of these facilities.

The inclusion of the responsibility for appropriate referral, along with the broader definition of the evaluation services, will give the State rehabilitation agencies the legal basis for development, in cooperation with other public and voluntary agencies, or centralized referral services for all disabled adults.

REHABILITATION FACILITIES

Another difficulty has been that the States and local communities have been unable to develop a sufficient number of the types of rehabilitation facilities which are needed for the rehabilitation of severely handicapped individuals. Particularly, there is a shortage of rehabilitation facilities which are vocationally oriented. Very few communities have workshops which can be used to provide a transitional experience for individuals, before they are ready to accept competitive employment. One section of this bill authorizes the Secretary to make grants to assist in meeting the cost of construction of public or other nonprofit workshops and rehabilitation facilities. An appropriation of $5 million is authorized for the first year, and $10 million for each of the succeeding 4 years, at which time the authority is terminated—section 2. The Federal share of the cost of the projects will be the same as the Federal share of the cost of rehabilitation projects under the Hospital Survey and Construction Act. All rehabilitation facilities established under this act must be approved by the State rehabilitation agencies in the States in which such projects are developed. A part of the funds appropriated may be used to reimburse a part of the cost of the States in meeting their responsibilities under the act.

Funds may be used for the construction of new buildings and expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such buildings, including the cost of architect's fees in connection with construction. Funds may also be used for initial staffing for not to exceed 4 years, the section applying to both workshops and rehabilitation facilities.

The Davis-Bacon Act governs compensation of workers on construction projects. It is also required that workshops receiving grants agree to meet appropriate wage and hour standards administered by the U.S. Department of Labor.

The significance of this section is found in the fact that there will be for the first time a nationwide program of grants for construction of workshops and other rehabilitation facilities administered under rehabilitation auspices. This legislation will be used to supplement the program for the construction of rehabilitation centers under the Hospital Survey and Construction Act. Facilities constructed under the Hospital Survey and Construction Act must include medical and one other rehabilitative service. This legislation will continue to be used principally for the development of medically oriented rehabilitation facilities, with most of the grants probably going to hospitals. The new facilities program will be used principally to assist in the development of vocationally oriented rehabilitation facilities, including workshops, which cannot be built under the Hospital Survey and Construction Act, unless they are a part of a comprehensive rehabilitation center. The definition of rehabilitation centers and workshops found in current Office of Vocational Rehabilitation regulations are amended in this bill will prevail in the administration of this section.

EXPANSION OF REHABILITATION SERVICES

When Public Law 565 was passed in 1954, section (4)(a)(2) provided for Federal grants to the States to pay a part of the cost of projects for planning, preparing for, and initiating expansion of vocational rehabilitation programs in the States. This was a temporary program, expiring at the end of 3 years. This bill contains a section which renews the authority for making such grants, providing that the Federal Government may pay all or part of the cost of such projects, when, in the judgment of the Secretary, the projects hold promise of resulting in a substantial increase in the number of persons vocationally rehabilitated. Grants under any one project are limited to 5 years.

PRIVATE CONTRIBUTIONS

At the present time, contributions of private agencies and individuals to a State cannot be used to match Federal funds for the establishment of rehabilitation facilities under sections 2 and 3 of the Vocational Rehabilitation Act, unless such donations are unrestricted; that is, such donations cannot be earmarked for the construction of specific

facilities in which the donors are interested. This section specifies that such funds donated by private agencies or individuals can be earmarked for the establishment of specific facilities in which donors are interested. This section is made retroactive to the time of the passage of Public Law 565 in 1954, so as to remove doubt with respect to the legality in the use of private funds to match State funds in some of the States.

ADMINISTRATION IN THE STATES

Under current legislation, excepting agencies for the blind, vocational rehabilitation in the States must be administered either by the State board for vocational education or by an independent rehabilitation agency. This bill provides a third alternative, which is, that the State's vocational rehabilitation program may be administered in a department which includes, in addition to vocational rehabilitation, two or more of the major public health, public welfare, and labor programs of the State.

It is provided that in case this third alternative is utilized by the State, the State's rehabilitation agency must be at an organizational level and have an organizational status comparable to that of other major organizations in the department and that it must have full time direction and a full time staff.

There appears to be a growing trend in the States to develop departments of State government into which are grouped the major public health and welfare functions, in other words, organizations somewhat similar to the Department of Health, Education, and Welfare on the Federal level. This section will enable the State to put the vocational rehabilitation program in such a department, under the conditions that have been cited. In some instances, vocational rehabilitation programs may be expected to become more effective in such departments.

LOCAL FINANCIAL SUPPORT (SEC. 4(3))

At the present time, interpretations of the law have been that all phases of the State vocational rehabilitation program must be in operation in all sections of the State. A section of this bill provides that exception may be made for special programs prescribed by the Secretary. The purpose of this section is to encourage local tax units to appropriate funds for the expansion of vocational rehabilitation services in their own political areas, even though such services may not be available on a statewide basis.

PRESIDENT'S COMMITTEE (SEC. 8)

Under current legislation, appropriations for the President's Committee on Employment of the Handicapped are limited to $300,000 per annum. This section would increase the appropriation authority to $500,000 per year. This will provide for an orderly expansion of the Committee's work during the next few years.

Mr. Speaker, Members of the House know that the Federal Government and the States are expending huge sums each year to alleviate the ill effects of dependency caused by physical and mental disability. It is expending far less than it should on efforts to rehabilitate those handicapped individuals who are, or who are likely to become, dependent upon society. It is in the public interest that every handicapped individual have an opportunity to rehabilitate himself, and that all the services he requires be available to him when the need for such services first appear. Until this condition exists, the Nation is not doing what it should and what it is capable of doing to afford equality of opportunity for its handicapped citizens. The legislative changes which are proposed in this bill will go a long way toward providing a legal base for expanded and improved vocational rehabilitation services. I fully believe that the Congress will see fit to implement with liberal appropriations this legislation once it is passed. I strongly urge the House Committee on Education and Labor, to which this bill will be referred, to conduct prompt hearings. Certainly, this is one piece of legislation with respect to which there must be general agreement as to its need and its practicality.

## LABOR'S STAKE IN 1964

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GREEN] 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 Oklahoma?

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Speaker, I would like to take this opportunity to call the attention of the Members of the House to an excellent address delivered by my good friend, the very able Senator from Hawaii, the Honorable DANIEL K. INOUYE, at the 14th annual banquet of the Committee on Political Education, in Philadelphia, on Saturday evening, February 16.

The address is as follows:

LABOR'S STAKE IN 1964

I doubt if any man can be in politics very long without learning one immutable law—the voter is unpredictable. For reasons often unknown to us, and, for that matter, not always known to himself, he pulls the lever marked Democratic or Republican on election day. This is repeated by hundreds of thousands of voters across the Nation and a new Congress results. We can be sure of only one thing—whatever peculiar combination of circumstances made him pull that particular lever can never again be repeated.

We have just been through such an election and that new Congress has barely begun its work. The political pros, newspaper columnists, and even reluctant Republicans admit that the results of that election indicate a victory for the Democratic Party. We have an increased majority in the Senate—and on the Senate committees where it counts—and had minimal losses for an off-year election in the House. All of this adds up to increased liberal-Democratic strength and optimism for the administration's program in this Congress.

Yet, even while the returns from one State are not yet official and Minnesotans know not who their Governor is, I am here to tell you, as political representatives of organized labor, to begin work now for the 1964 congressional contest.

Before I am asked, "Where's the fire?" a word of explanation is due. I say work now for 1964 precisely because the voter is unpredictable and because his whim of yesterday may not be his will of the day after. Whatever our gains in the last election—however well things look right now—1964 is bound to be a different story. I am not saying that we are not going to do as well, but I am saying that the reasons for victory in 1962 may not be relevant in 1964, and labor's stake in the 1964 congressional election will be greater than ever.

Of course, 1964 is a presidential year. This may be to our advantage. The polls show that the President's popularity is high, and the prospects for his reelection are more than good. But popularity is hard to pin down and we are all aware that any number of things—a temporary foreign policy reverse, the failure of the economy to respond to the stimulus of the proposed tax cut, and so on—could change the complexion of the contest overnight.

Even more important, however, the popularity of the President will not assure the success of his party in the congressional elections. Coattails are out of style. Mr. Eisenhower was one the most popular Presidents in our history, but he never pulled his party into power behind him. And, in terms of your interests, the congressional contest is both just as important and involves a fight just as great as the presidential election. Further, the outlook for the congressional contest is far less optimistic.

In 1964, 25 Democratic Senators face reelection. Only eight Republicans must stand a similar test. Fourteen of these Democrats are from States which President Kennedy did not carry in 1960—California, Indiana, North Dakota, Oklahoma, Wisconsin, Ohio, and so on. It is difficult to predict gains in such a heavily weighted contest.

Among these 25 you will find many of labor's stanchest supporters and firmest friends. PHILIP HART, of Michigan, CLAIR ENGLE, of California, EUGENE MCCARTHY, of Minnesota, GALE MCGEE, of Wyoming, RALPH YARBOROUGH, of Texas, VANCE HARTKE, of Indiana, and HARRISON WILLIAMS of New Jersey are but a few. Twenty of these twenty-five voted for the administration's medicare program. Nineteen had ratings of more than 80 percent right according to their votes on 11 issues selected by COPE. And, they are almost unanimously in favor of such programs as aid to education, housing, area redevelopment, and minimum wage.

Thus, labor's stakes are high. Many of your friends are on the firing line, and the odds are not in your favor. But in 1964 labor's stakes are higher than even this might indicate. Labor has a real investment in supporting their candidates in 1964, for labor, itself, has been on the firing line of late.

At a time of general prosperity in this Nation, when our fears and concerns are centered on foreign rather than domestic problems, public sympathy for labor seems to be on the wane. In the early days of the movement, organized labor was viewed as the underdog fighting for its fair share of the American wealth. Today, with many of its original aims achieved—with such concepts as collective bargaining and workmen's compensation everyday words in the American vocabulary—the labor movement has lost much of the idealistic impetus upon which it rode.

This is not to say that the programs and principles for which labor fights today are any the less necessary or valid. They are, however, less pressing. The need for medical care for the elderly and aid to education is great indeed, but it is not the urgent and immediate need for compensation of a critically injured worker and his family, nor the need for bread felt by the hungry. And while it is widely recognized that labor can and should ask for its fair share of the profits of prosperity, there is wide disagreement as to what constitutes that fair share, and how it is to be secured. Similarly, while it is widely recognized that labor must look

after its own interests, there is wide disagreement as to what those interests are, and how they are to be related to the national interest. Moreover, the sympathy engendered by a fight for survival no longer adds its force to labor's ammunition.

Today, the survival of organized labor is assured. As a power group in American society, the voice of labor is equal to all others, and because it is an organized voice, it is often louder. For these reasons, there is inevitable fear of labor's influence and power. This has been with us for many years. Of late, however, that fear has found an increasingly apparent point of focus.

During the past few years we have had a series of long and laborious strikes, some of which have been considered greatly injurious to the national interest. Among these was the recent dockworker's strike, which, despite the use of the Taft-Hartley injunction could not be settled behind the scenes, and tied up the Nation's shipping and commerce for several weeks. Only the intervention of a Presidential board brought about agreement.

Other strikes, while not involving the national interest, and thus precluding the use of government machinery to speed settlement, have involved direct and personal inconvenience and injury to individuals and businesses caught in between the labor and management groups involved. The most outstanding example, of course, is the current New York newspaper strike.

I am not about to discuss the issues involved in either strike, or the merits of either position. For however right or wrong labor or management may be in each instance, the fact remains that the public has little sympathy for those who are striking. I do not think I am being unduly dire in predicting that it will take but one more strike of national import to bring public pressure for restrictive legislation, beyond the scope of the Landrum-Griffin bill, to the point where it is irresistible. And may I remind you that when the Landrum-Griffin conference bill was voted upon by the House of Representatives in 1959, only 52 Members voted against passage. Over 350 voted for passage. I was one of the lonely 52.

An indication of this growing pressure is already available. One of the Nation's leading publications, Business World, not known as a friend of labor, to say the least, put it this way: "union power remains a potentially explosive issue in Congress where demands continue for antistrike legislation of some kind * * *. Kennedy still hopes to keep a lid on new labor legislation this year. But the unions themselves may blow the lid off before summer." There was a time when we could dismiss such warnings as scare tactics on the part of an unfriendly publication, but today there is more than a measure of truth in this report.

More and more in the corridors of the Capitol one can hear talk of "what can be done about labor." Several Senators have introduced and advocated legislation designed to apply antitrust laws to labor unions. Even Mr. Wirtz, the Secretary of Labor—who above all is not an enemy of labor—has mentioned the possibility of compulsory arbitration. In a speech last week before the National Academy of Arbitration, the Secretary warned: "Neither the traditional collective bargaining procedures nor the present labor-dispute laws are working to the public's satisfaction * * *." He continued, "it doesn't matter anymore, really, how much the hurt has been real, or has been exaggerated. A decision has been made. And that decision is that if collective bargaining can't produce peaceful settlements of these controversies the public will."

In the face of this mounting sentiment, the interest of labor in electing spokesmen who are sympathetic to their views should be apparent. For if the showdown now impending should prove unavoidable, it will not be by a landslide, but by a close and carefully waged contest that the issue is decided. One or two votes on either side could prove crucial and the deciding votes will be won or lost now.

I believe that this mounting antilabor sentiment is real and immediate, and that its impact on the congressional elections of 1964 can be immense. Further, there is another developing disposition on the part of the American public which is similarly acting against your interests. That is an increasingly apparent antispending sentiment. As in the case of the public's fear of the power of unions, this antispending sentiment is not new to the American scene; however, in a year in which taxes and the economy have been made a major issue by both parties, spending as much is taking its place as a hotly contested factor on both sides.

An indication of the amount of attention which this issue is attracting is afforded by the press. Pick up any major newspaper or magazine in this country, any day of the week, and you are bound to find mention of Federal spending. There will be articles and editorials on—Federal spending and foreign aid; Federal spending and education; Federal spending as it affects the individual and his freedom; Federal spending as it affects a balanced budget, and so on, until Federal spending as it affects every segment of and situation in our society has been carefully scrutinized and often stigmatized.

Again, because of our general prosperity and our increased concern over foreign rather than domestic issues, there seems to be a growing annoyance at greater domestic spending. True, the bulk of our budget is expended for defense and space exploration, and few would advocate reductions here. Thus, the relatively small amounts which go into domestic programs come under exaggerated fire.

Without the immediate and painful reminders of growing unemployment, bank and business failures and falling prices, we find it easy to forget that there are still those who are deprived and denied in this Nation. Similarly, while most of us enjoy an unparalleled prosperity, it is easy to forget that the potential of this Nation for providing adequate education, housing, and medical care for all of its citizens remains unrealized.

Such easy forgetfulness is a ready weapon for the opponents of education, medical care, housing, and other programs. While few are reminding us of the reality of these needs, many are warning us of the dangers of deficits and the beauties of a balanced budget. And, as I pointed out a moment ago, this point of view has found many advocates in the Nation's press, and has received a great deal of publicity of late. Such a calculated campaign cannot fail to make some impression.

Once again, I am not here discussing these issues, per se. For whether we cut our taxes and initiate reforms or maintain the status quo, whether we balance or unbalance the budget, these domestic needs will remain, and labor will continue to be the group most directly aware of and concerned with these needs.

You have always been the strongest supporters of these domestic programs. But if your efforts of the past are to meet with success—if programs such as medical care for the aged and aid to education are to be enacted—your increased efforts in the future, in the face of ever more vocal antispending sentiment, will be called for. Here, once again, it is in the Congress that these issues will be decided. Again, a few votes will make the difference. If you are going to have those votes when they are needed, you must seek and secure them now.

The interest of labor in every congressional election is great, for your members are many and your role in our society is a vital one. But the challenges to your interests are not often as great as they will be in 1964. There is a great deal to lose and it will take some effort to merely hold our own.

I might have spent these few minutes advising you of the merits of medicare or the advantages of aid to education. But I am not here to sell you a program. Rather, I am here to urge you to sell that program, because it is imperative to your interests that you do so. Thus, I can but point out what I believe is the real and immediate importance of early action and the equally real importunity of inaction.

If you are going to be successfully able to combat public pressure for antilabor legislation and decreased domestic spending—if the 25 Democratic Senators who must face the electorate in September of 1964 are to return to the Senate in January of 1965—and if labor is going to hold the trump in 1964 in order to take the trick in 1965—you must do your bidding now.

---

## RELOCATION ASSISTANCE FOR DISPLACED FAMILIES AND BUSINESSES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] may extend his 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. ST GERMAIN. Mr. Speaker, the bill which I have introduced today, will correct inequities which occur in the Federal highway program and is in agreement with my views as to the role the Government must play in our national life.

This measure has been introduced to assure decent, safe, and sanitary housing for families and individuals displaced by the construction of highways which form part of the Interstate System. The bill requires that agreements between States and the Federal Government for the construction of links in the Interstate Highway System contain clauses to assure that there are, or are being provided, safe, decent, and sanitary dwellings in the areas of the construction projects which will be equal in number to those taken for the project. These dwellings are to be reasonably accessible to places of employment and are not to be less desirable in terms of public utilities and public and commercial facilities than were the former dwellings. The rents or prices are to be within the financial means of the individuals and families displaced.

In localities where a State or local agency already administers a relocation program, assistance is to be provided through such agencies for the relocation of the individuals and families displaced. In addition, the State or local community will be reimbursed by the Federal Government. Payments for the reasonable and necessary moving expense, not to exceed $200 in the case of any one family or individual, are to be made for the cost incurred in the relocation of the persons concerned.

The effects of our expanding network of highways and roads must be carefully considered by both the States and the Federal Government. My concern is

with the human factor in these building programs. Throughout the Nation, families and individuals are being displaced because of the construction programs. As their homes are being condemned for the building of roads necessary to the Nation, the people must find new places to live, and this is not always an easy task. In the vicinity of the proposed construction projects, proper allowance has not been made for the relocation of those who are displaced by the project. It is my view that a highway should not be built without first giving due and complete consideration to what will happen to the people who must lose their homes to make room for the project.

Government efforts and programs, whether alone or in cooperation with the States, have often, and rightly so, been criticized as being heartless and not fully cognizant of the human factor involved. It is my hope that the enactment of this legislation will eliminate that criticism from the highway program. Progress can only be made when the people concerned are moving at the same rate as the technological skills of the Nation.

## MORTGAGE GUARANTEE PROGRAM FOR DEPRESSED ECONOMIC AREAS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. FLOOD] 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 Oklahoma?

There was no objection.

Mr. FLOOD. Mr. Speaker, today I am reintroducing my bill to promote the redevelopment of economically depressed areas by establishing a Government corporation which will provide a secondary market for industrial mortgages covering property in those areas.

In my congressional district, which comprises Luzerne County, Pa., one of the obstacles to redevelopment is the fact that the local lending and banking institutions have, in many cases, reached the limit of their lending power under the regulations established by the Pennsylvania banking laws.

Therefore, it is most important that some means be found to release the mortgage financing that is currently committed so that the required funds for further industrial expansion can be made available. My bill will, upon enactment, do that very thing.

So the provisions of this measure can be made readily available, I submit at this point, a copy of the bill that I reintroduced today.

The bill follows:

H.R. 3942

A bill to authorize the Secretary of Commerce to purchase industrial and commercial evidences of indebtedness to promote certain industrial and commercial loans in redevelopment areas by lending institutions in order to help such areas plan and finance their economic redevelopment, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Redevelopment Area Industrial Mortgage Purchasing Act".

FINDINGS AND PURPOSE

SEC. 2. (a) Congress finds that many lending institutions located in areas designated as redevelopment areas under the Area Redevelopment Act have contributed significantly to the redevelopment of such areas by continued substantial financial assistance. Congress also finds that, because of certain legal limitations and customary financial practices, lending institutions are frequently unable to continue such valuable financial assistance unless the Federal Government can help these institutions achieve sufficient liquidity of investment funds so that they can continue to make industrial and commercial loans in redevelopment areas.

(b) It is the purpose of this Act to help to provide lending institutions with a degree of liquidity so that they can make industrial and commercial loans in redevelopment areas and to improve the distribution of investment capital available for industrial and commercial loans in such areas.

AUTHORITY TO PURCHASE

SEC. 3. (a) The Secretary of Commerce is authorized, in cases where he determines that legal limitations or customary financial practices are seriously inhibiting the ability of lending institutions in making industrial and commercial loans in redevelopment areas, to purchase from such institutions evidences of indebtedness which, among other things, (1) do not represent in amount more than 65 per centum of the fair value of the property securing the same; and (2) do not represent an indebtedness which, together with the investment of the Secretary in a particular project under section 6 of the Area Redevelopment Act (Public Law 87–27, Eighty-seventh Congress, first session, May 1, 1961), would serve to extend the Secretary's investment in such project beyond 65 per centum of the aggregate cost of such project as defined in that Act.

(b) No evidence of indebtedness shall be purchased under this Act if it yields to the Secretary a rate which is less than the rate then applicable in section 6(b)(8) of the Area Redevelopment Act (Public Law 87–27, Eighty-seventh Congress, first session, May 1, 1961), or if it bears interest at a rate in excess of 6 per centum per annum, on the unpaid balance of the principal amount thereof.

(c) To the extent necessary to enable an evidence of indebtedness to meet the interest rate requirements in subsection (b) of this section, the Secretary may purchase such evidence of indebtedness for less than its face value, but in no event may he purchase an evidence of indebtedness for more than its face value.

INVESTMENT OF PROCEEDS

SEC. 4. (a) The Secretary shall require that the lending institution from which the Secretary purchases evidences of indebtedness under section 3 of this Act shall, within a reasonable time as determined by the Secretary, invest the proceeds from such purchase in the form of (1) a loan which is to cover part of the aggregate cost of a project to be assisted under section 6 of the Area Redevelopment Act (Public Law 87–27, Eighty-seventh Congress, first session, May 1, 1961), or (2) a loan which is to cover part, or all of the aggregate cost of a project, including working capital, located in a redevelopment area if such project, among other things, (A) involves the acquisition or development of land and facilities (including, in cases of demonstrated need, machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings, (B) does not involve the relocation of an establishment from one area to another, but such project may involve the expansion of an existing entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase of unemployment in the area of original location or any other area where such entity conducts operations unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of an existing business entity in the area of original location or in any other area where it conducts such operations, and (C) is reasonably calculated to provide more than a temporary alleviation of unemployment or underemployment within the redevelopment area in which it is, or will be, located.

(b) In cases of demonstrated need, to be determined by the Secretary, a lending institution from whom the Secretary purchases evidences of indebtedness under Section 3 of this Act, may invest not more than 25 per centum of the proceeds from such purchase in ways other than those authorized by this section.

USE OF OTHER FACILITIES

SEC. 5. (a) To the fullest extent practicable in carrying out the provisions of this Act, the Secretary shall use the available services and facilities of other agencies and instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government. The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions so as to assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, or functions of any other department or agency of the Federal Government.

(c) Funds authorized to be appropriated under this Act may be transferred between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

POWERS OF THE SECRETARY

SEC. 6. In performing his duties under this Act, the Secretary is, among other things, authorized to—

(1) assign, sell, or otherwise dispose of for cash, credit, or such consideration as he shall deem reasonable, at public or private sale and without recourse to him any evidence of indebtedness, debt, contract, claim, personal property, or security assigned to or held by him as a result of, or in connection with an evidence of indebtedness purchased under this Act and to collect or compromise all obligations assigned to or held by him in connection with such evidence of indebtedness until such time as such obligations may be referred to the Attorney General for suit or collection;

(2) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash, credit, or such consideration as he shall deem reasonable, at public or private sale and without recourse to him, any real or personal property conveyed to, or otherwise acquired by him, in connection with the evidence of indebtedness purchased under this Act; and

(3) to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this Act.

ADMINISTRATION

SEC. 7. This Act shall, to the fullest extent practicable, be administered so as to be consistent with the objectives, purposes, and policies of the Area Redevelopment Act (Public Law 87-27, Eighty-seventh Congress, first session, May 1, 1961.)

DEFINITIONS

SEC. 8. (a) "Secretary"—Unless otherwise indicated, when used in this Act, "Secretary" shall mean the Secretary of Commerce.

(b) "Redevelopment area"—When used in this Act, "redevelopment area" shall mean an area designated as a redevelopment area under the Area Redevelopment Act (Public Law 87-27, Eighty-seventh Congress, first session, May 1, 1961).

(c) "Evidence of indebtedness"—When used in this Act, "evidence of indebtedness" shall mean a bond, debenture, note, or other contract for the payment of money, or a participation therein, which, among other things, (1) evidences a loan to aid in financing any project within a redevelopment area for the acquisition or development of land or facilities (including, as the case may be, machinery and equipment), or both, for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion or enlargement of existing buildings; (2) is secured by a mortgage, deed of trust, or similar instrument, covering land or facilities (including, as the case may be, machinery and equipment), or both acquired or developed for industrial or commercial usage; and (3) is so secured as reasonably to assure repayment.

REVOLVING FUND

SEC. 9. (a) There is hereby established in the Treasury a revolving fund (hereinafter called "the fund") which shall be available, without fiscal year limitation, for use in carrying out the provisions of this Act. All repayments of loans, and interest, and other receipts from transactions under this Act shall be paid into the fund.

(b) To carry out the provisions of subsection (a) of this section, appropriations not to exceed $50,000,000 are authorized to be made to the fund from time to time and without fiscal year limitation. The Secretary shall pay into miscellaneous receipts of the Treasury at the close of each fiscal year, interest on the net amount of cash disbursements from the fund, at a rate to be determined annually by the Secretary of the Treasury, taking into consideration current average market yields on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities.

## CAREER COMPENSATION ACT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. WHITENER] may extend his 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. WHITENER. Mr. Speaker, the Congress occasionally passes a law designed to achieve a desirable purpose but which in operation fails to bring about the results desired by the Congress. Whenever it is apparent to the Congress that a measure we have passed is failing to achieve the purpose for which it was enacted and is causing hardship, it is the duty of the Congress to take remedial action.

In July of 1962 the 87th Congress enacted Public Law 531. The bill amended certain sections of the Career Compensation Act of 1949 and the Dependents' Assistance Act of 1950. The changes became effective January 1, 1963.

Under the law certain senior noncommissioned officers of the Army, Navy, Air Force, and Marines were relieved of the mandatory responsibility or providing allotments for the support of their dependents. Since January 1, 1963, allotments for the support of their dependents have been voluntary on the part of these noncommissioned officers.

In the enactment of Public Law 531 the Congress was endeavoring to achieve a worthwhile purpose. The quarters allowance for certain members of the Armed Forces was to be raised and senior noncommissioned officers were given the opportunity of providing for the support of their dependents without arbitrary action on the part of the Federal Government.

I regret to say, Mr. Speaker, it seems that Public Law 531 with respect to voluntary allotments on the part of senior noncommissioned officers has failed to justify the optimism of Congress when the law was enacted. Many members of the Armed Forces have taken advantage of the law to terminate all assistance to their dependents, bringing about extreme hardship to the families of many servicemen.

I have received numerous complaints from the dependents of servicemen advising that their allotments have not been forthcoming since the effective date of Public Law 531. The Red Cross representative in one ctiy in my congressional district informs me that she has been deluged with inquiries from the dependents of service personnel who have suddenly been deprived of their means of support.

In addition to creating unusual hardship conditions for thousands of dependents of military personnel by the enactment of Public Law 531, we have brought about an administrative problem which is beyond the power of the various military services to handle. While the Armed Forces will make every effort to impress upon persons in the military service the necessity for providing for their dependents, the military services have been left without an effective remedy to apply in the matter.

In a letter dated February 13, 1963, the Commandant of the Marine Corps pointed out to me the difficulty with which the Corps is confronted in this matter.

I might point out—

General Shoup said—

the following difficulty which will be encountered in resolving nonsupport problems under the new legislation. In accordance with the Marine Corps policy, a member who fails to provide support for his dependents may become subject to disciplinary action. Such action will not, however, serve to force the member to provide support for dependents against his wishes. This can only be accomplished by a civil court of competent jurisdiction.

The other military services are faced with a problem similar to the one described by General Shoup.

Mr. Speaker, unless the Congress takes quick action to restore the requirement for mandatory allotments for the support of dependents of military personnel, the problem I have described will continue to grow. Congress should act promptly to see that the dependents of military personnel continue to receive adequate support.

Under existing circumstances in the Armed Forces this responsibility can be fulfilled only by the enactment of legislation restoring the requirement for mandatory allotments on the part of enlisted military personnel. The bill I have introduced will alleviate the unfortunate situation of many families of service personnel that has arisen through the enactment of Public Law 531 of the 87th Congress.

I know that my colleagues in the House must have had numerous inquiries in the past several weeks from constituents who have had their subsistence funds terminated. In the light of their experience in this matter I hope that they will join with me in working for the enactment of my bill.

## CUBA IN PERSPECTIVE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. STRATTON] 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 Oklahoma?

There was no objection.

Mr. STRATTON. Mr. Speaker, last weekend I had the honor to address the annual convention of the New York Press Association, an organization comprising the editors and publishers of virtually all of the weekly newspapers in New York State.

I took advantage of that occasion, Mr. Speaker, in speaking to this distinguished body of community leaders and opinionmakers in our great Empire State, to try to present my own views, as one Member of the House as well as a member of the great Committee on Armed Services, of just what the current situation in Cuba really is. I tried to do it without any of the narrow political partisanship that has clouded so many of the comments on this crisis in recent weeks.

In the thought that perhaps some Members may find some of these remarks of interest in connection with their own discussion of this vital subject in their home districts, I ask unanimous consent that the full text of these remarks be included at this point in the RECORD.

The address referred to follows:

ADDRESS OF CONGRESSMAN SAMUEL S. STRATTON, BEFORE THE NEW YORK PRESS ASSOCIATION CONVENTION BANQUET, HOTEL SYRACUSE, SYRACUSE, N.Y., FEBRUARY 15, 1963

CUBA IN PERSPECTIVE

Mr. President, members of the New York Press Association, ladies and gentlemen: I welcome this opportunity, as one member of the political fraternity, to pay my formal

tribute to the ladies and gentlemen of the press for the vital and important role you play in making our American democracy work. Nobody knows better than a practicing politician the power of the press in the operation of our free and open American society. Without the means of communication between those in office and the people whom they represent which a free press supplies; and without an alert press, as a kind of fourth branch of government overseeing and riding herd on the actions and the antics of the other three, democracy could not long survive. Just how long might be a matter of some speculation, but I am sure that at least as far as the people of New York City are concerned, 2 long months is just about as far as they would care to push the experiment.

I'm also glad to have this chance to salute you who comprise that special portion of the fourth estate, the weekly newspapers of New York State. All of us in Washington respect the press. But as the New York Member of Congress who has more counties in his district than any other Member, and who therefore has, or so I am reliably informed, more weekly newspapers delivered to his office than any other Member from New York, I stand in particular awe of this distinguished audience and welcome this unique chance to try to penetrate your influential columns.

One of our occasional problems in a democratic society has been to reconcile the freedom of speech and of the press which is so vital to the preservation of our liberties with the special exigencies of war. Yet, even though we have never liked it, we Americans have always willingly accepted the temporary restraints which war, on the fortunately few occasions when we have been engaged in it, has imposed on these basic freedoms. Censorship has been accepted with the outbreak of hostilities, and has been speedily removed when those hostilities came to an end. We have been willing to forgo some of our own right to know so as to make sure the enemy isn't reading any of our important military secrets over our shoulder. And I daresay our democracy has not suffered as a result of this exercise in self-discipline.

I mention all this because of course today, in February 1963, we find ourselves in a situation that is really neither war nor peace as we have known them in the past. No shooting—or almost no shooting—by American forces anywhere in the world; yet our House Committee on Armed Services is currently studying, and doubtless will approve, the fourth largest defense budget—$54 billion—in the Nation's entire history.

What we are in today is what we have come to know as cold war—a somewhat inexact term, for a continuous and unrelenting struggle between communism and freedom which, for many at least, is just as deadly as hot war and whose outcome for the ultimate course of history could be even more crucial.

Just as the distinction between war and peace becomes blurred in an era of cold war, so too do some of the other distinctions. Last October, for example, this Nation stood on the brink of nuclear war in a situation more perilous than any we have faced since Pearl Harbor. Fortunately boldness and determination prevailed without the need for any outright hostilities. During this brief period, while the outcome was still in balance, our military leaders revived a modified form of wartime censorship and restricted their announcements to the press to those items which would not alert our enemies in advance to the course of action we intended to follow. When the crisis subsided this limited censorship came off.

This, of course, is what we now hear referred to as a policy of "managed news." I find it hard to believe that any reasonable man—or newspaper editor—would suggest for a moment that our Government had any more obligation to telegraph its punches to the enemy during the October Cuban crisis than we did in the months following Pearl Harbor. Yet this simple and to me perfectly unexceptionable principle still tends sometimes to be overlooked just because it is harder today than it was a generation ago to draw a clear line between war and peace.

The handling of our Government's relations with the press is not the only thing that we sometimes find hard to keep in perspective in the light of the realities of today's unique cold war situation. We've been witnessing another example in Washington these past couple of weeks of the ease with which our consideration of vital military and political issues can slip out of perspective and end up in confusion and hopeless exaggeration.

I'm not interested now in trying to assess either praise or blame. But as one Member of Congress with some responsibility for the successful operation of our overall Defense Establishment I do welcome the opportunity, before this distinguished audience, to make an effort to review the current situation in Cuba in the kind of perspective to which I believe it is entitled.

Here, as I see it, are the essential points about Cuba as of this Friday evening, February 15, 1963:

1. The Soviet long-range nuclear missiles have left Cuba, and the missile bases—whether they be concrete, gravel, concrete-with-gravel, or gravel-with-concrete—have in fact been dismantled and destroyed. Nothing is ever absolutely certain in this imperfect and uncertain world of ours, but I say that Secretary McNamara proved this point beyond a reasonable doubt to all fair-minded and reasonable men last week on television.

2. We Americans can take pride in a top-notch military intelligence system. No one could have watched that television report without marveling at the precision and detail of our knowledge of what goes on in Cuba. I might add that when Secretary McNamara presented essentially the same briefing to our committee 2 weeks earlier, every member of the committee, Republicans and Democrats alike, spontaneously applauded him and his young briefer when they had concluded for a really virtuoso performance. While it is of course theoretically possible for the Soviets to be hiding missiles in caves or under trees, they could not get them out and get them set up against us as things now stand without our detecting them in the process.

3. No intelligence system can ever be perfect. Trying to find out what goes on in a closed society cannot, obviously, be a completely exact science. Some stories we get are fact; others are only rumors. I know from my own wartime experience as an intelligence officer that any military commander learns to live with the inexact and the unprecise and tries as best he can to increase the area of hard knowledge and reduce the area of sheer guesswork before he decides upon a course of action.

4. If we propose to take this country to the brink of nuclear war, then it makes sense to try to do it on the basis of the facts we know and not just on the rumors we may merely suspect.

May I digress here to add just one comment in connection with that observation. A good deal has been said in recent days about those who, so we are told, "rightly called the turn" on Soviet missiles in Cuba last September, and "forced the administration" to confirm their charges in October. This is a bit misleading. The rumors about Soviet mistakes in Cuba, peddled by refugees, had been going the rounds in Washington for some weeks last fall. Our intelligence services were as well aware of these rumors as anyone else. But it is one thing to have a rumor and it is an entirely different thing to confirm that rumor as a proven fact. You can't very well go to the brink of war, as I say, over a mere rumor. Nobody in Washington had proved those missile rumors until the photographic evidence came in on that fateful October 14. Then, as you know, the administration acted swiftly, courageously, and effectively. But they could not—and indeed they should not—have acted until the proof—which those who had been peddling the rumors had never been able to supply—was in.

5. The Cuban crisis isn't over by a long shot. Certainly the threat to our own continent has subsided with the departure of the long-range missiles. Those missiles were offensive because they could be directed effectively against American cities and could have been part of a rational overall attack on the United States which successfully bypassed our missile early warning network to the north. That's why their presence was intolerable and why they had to be removed, even at the risk of war.

The Soviet infantry and antiaircraft troops and equipment which remain are not at all offensive in this sense, as Governor Rockefeller acknowledged last weekend. But this does not mean that they do not have some unpleasant capabilities for mischief in this hemisphere or do not, in fact, constitute a matter of grave concern to us. They do, and Secretary of State Rusk himself has told us that the United States cannot permanently accept this Soviet military presence in Cuba.

6. Finally, we are not only opposed to Russian troops being stationed in Cuba; we're also against Castro himself and want to see him out too. This, I submit, is also basic American policy.

Now if we can agree generally that these six points summarize things as they currently stand in Cuba, the next question is, What do we do about it? There's been a lot of criticism these past 2 weeks about Cuba, a lot of second guessing, and a lot of sanctimonious viewing with alarm. But except for Republican Senator JOHN S. COOPER, of Kentucky, there's been darn little in the way of constructive recommendations for action. And it isn't hard to understand why, because any course of action in today's polarized world can have highly explosive consequences. Talk is cheap; action never is.

The simple fact is that action over Cuba, now just as well as last October, could always involve us in all-out nuclear war with the Soviet Union. These are the stakes we are really playing for, let's not make any mistake about it. This doesn't mean we have to back away automatically from the possibility of nuclear war. Far from it. In fact we've already faced up to this possibility before without flinching—eyeball to eyeball with the Russians as someone expressed it—in October. We are ready to do it again if need be; let's make no mistake about that either. But surely we would be criminally negligent to move ourselves into this posture without first undergoing the most careful, cautious, and sober consideration of all that such a decision entails.

Frankly, most of the semantic games that have been played over this Cuban issue in recent days hardly measure up to this exacting requirement.

So far we have won one essential victory in Cuba without firing a shot. Perhaps we may succeed in winning more. But before anyone gets the idea that our military planners have gone to sleep over Cuba, let's just spell out some of the highly explosive possibilities of the situation we are already facing, each of which we must be prepared to deal with right now, not 2 months from now, and each of which could conceivably escalate into the all-out nuclear war with the Soviet Union, to which we faced up last October and successfully avoided. Here they are:

1. If one of our reconnaissance aircraft were shot down over Cuba. In the absence of on-site inspection, our present aerial surveillance is absolutely essential to continuing the present arrangement with Cuba. Yet the Soviets do have the capability to shoot these planes down at any time.

2. If Soviet long-range missiles were ever reintroduced into Cuba. President Kennedy made this perfectly clear in his press conference last week.

3. If the Soviets were to undertake any substantial increase in their present ground capability in Cuba. We have taken steps to get the Soviets to reduce their troops in Cuba. Perhaps we may not succeed. In any case I do not believe we could ever accept any substantial increase in these troops.

4. Any export of arms or subversion from Cuba to other Latin American countries. President Kennedy made this pledge, too, last October. I am sure it still stands.

5. Any attack on our naval base at Guantanamo, or any interference with our present position there.

6. Any use of Soviet forces, including tanks, to put down any anti-Castro rebellion by the Cuban people themselves. I do not believe we ever could or ever should sit by passively and let Soviet tanks crush any Cuban freedom revolt as they crushed the uprisings in Hungary.

Perhaps there are other possibilities which I have overlooked. But I have said enough, I think, to make it clear that even if we were to do nothing more in Cuba, we still could find ourselves confronted overnight with the threat of all-out war. And since most of us feel that we cannot long tolerate even the present situation, there comes the further question of just how we should proceed to correct it if our present diplomatic efforts fail. But whatever we decide to do—and we may well have to decide to do something—it won't come cheap.

So, wouldn't it seem obvious that viewed in this perspective the details of our Cuban policy become more than just a passing game of political checkers?

No one, surely, would want to foreclose public discussion, in the press or from the platform, about Cuba any more than about any other aspect of our foreign policy. But surely it is not too much to hope, is it, that in this great national debate, carried out in this shadowy era of half-war and half-peace, there should be at least some simple ground rules of responsibility which could help to keep this debate one that clarifies rather than confuses, and one that encourages rather than sublimates the rational processes of thought and reflection on which sound and effective American policy must be built?

No matter what the requirements of partisan politics may be, there is certainly no right to undermine the national security by anybody, anywhere, at any time.

Can we not, for example, agree that regardless of what past mistakes may have been made, from here out every criticism should carry at least the suggestion of some alternative course of action? And can we not also agree that since we have, after all, only one executive branch of government charged with maintaining our defense, those who profess to have available to them special sources of information on conditions abroad should make them available to our Defense Establishment at least as soon as they do to the press galleries?

Some may say, no this can't be done, because already we are in the process of a great American presidential campaign and the present President and his administration are fair game. Fair game yes, as individuals and as a party. But not fair game as the only duly constituted Government of the United States of America in a period of high international peril.

Once before we in America have seen that it is possible to conduct a political campaign under the shadow of war without undermining our national security. That was back in 1944 when a former Governor of New York State and a great American, Thomas E. Dewey, was running for President of the United States. During the course of his campaign the Governor, as you will recall, learned that our American intelligence officials had broken the Japanese diplomatic code and were regularly reading the Japanese dispatches prior to Pearl Harbor. Yet at the request of Gen. George Catlett Marshall, the Army's wartime Chief of Staff, Governor Dewey voluntarily refrained from using that information as a campaign issue—though it could have been a highly explosive one—because to do so would have gravely impeded the successful prosecution of the war.

The American people, I have always felt, owe a great debt of gratitude to Governor Dewey for his deep sense of responsibility and restraint in circumstances that must have been tempting in the very extreme.

As members of the press, you ladies and gentlemen are familiar with restraint of this sort and you are called upon to demonstrate it week after week in your papers. I am sure that we in public life, once the seriousness of the Cuban crisis is apparent, will follow the brave example of Governor Dewey and will exercise the responsibility and restraint which the times now require.

For after all, the things that divide our two great political parties are far less than the things that unite us as Americans. Politics still stops at the water's edge of national security and survival. And surely when it comes to the ultimate goal of eliminating communism—not just from Cuba, but from the face of the earth wherever it may be—this great country of ours, Democrats and Republicans alike, will continue to speak with a single firm and forceful voice of determination and of hope.

## VFW SPEAKS UP FOR MILITARY PERSONNEL

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. STRATTON] 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 Oklahoma?

There was no objection.

Mr. STRATTON. Mr. Speaker, as Members of the House are well aware, the most important single element of our National Defense Establishment is its personnel. It is particularly necessary that, in spite of the great emphasis being placed upon scientific, mechanical, and technological advances in weaponry, we do not overlook the role of the officers and men who man these weapons. All of the tremendous national investment in resources, dollars, and time, which we have made and are making in improving our military equipment would be useless without the devotion, the hard work, and the skills of our military personnel into whose hands these weapons are entrusted.

Our military personnel are serving in remote and scattered places throughout the world. They are there because that is where their duty requires them to be. We should recognize their vitally important service overseas; we should not penalize them for it. It is, therefore, with profound concern that I bring to the attention of this House the recent proposal that the customs officials of our Government plan to terminate the $10 tariff-free gift mailing privilege of our citizens. My purpose at this time is to urge that if such tariff-free mailing privilege from overseas is to be canceled, then our military personnel and their dependents should in all fairness be exempted from the new restrictions.

There are many good reasons why such arbitrary and unfair actions should not be imposed upon those who are so well serving in the defense of our Nation and the free world overseas.

The inequity of such a proposal from the standpoint of our military personnel and the reasons why they should be exempted from such restrictions are forcefully set forth in a recent letter from the Veterans of Foreign Wars of the United States to the Assistant Secretary of Defense, the Honorable Norman S. Paul. I am confident that Members of the House are well acquainted with the alert and effective manner in which the VFW has championed the interests of those who serve and have served in our Armed Forces.

I also invite attention to the reply of Assistant Secretary Paul to the letter addressed to him by Brig. Gen. J. D. Hittle, U.S. Marine Corps, retired, VFW director of national security and foreign affairs, in behalf of Byron B. Gentry, the national commander in chief of the Veterans of Foreign Wars of the United States. Secretary Paul's letter is reassuring in that it associates itself with the position taken by the VFW in support of our servicemen. This is another example of the insight and understanding of personnel problems which we have come to expect from Secretary Paul. Parenthetically, as a member of the Armed Services Committee of the House of Representatives, I wish to compliment Secretary Paul for the sincerity, intelligence, and frankness with which he is performing his vitally important role as Assistant Secretary of Defense for Manpower.

Under leave to extend my remarks I include at this point the VFW letter in defense of the interests of military personnel overseas and the reply by Secretary Paul:

JANUARY 22, 1963.

Hon. NORMAN S. PAUL,
*Assistant Secretary of Defense (Manpower), Department of Defense, Washington, D.C.*

DEAR MR. SECRETARY: The purpose of this letter is to inform you, on behalf of Mr. Byron B. Gentry, commander in chief of the Veterans of Foreign Wars of the United States, of our deep concern over the recent announcement of the impending cancellation of the current authority for individuals to send tariff-exempt gifts of $10 or less, from overseas to individuals in the United States.

The VFW urges that every effort be made by the Department of Defense to permit military personnel and their dependents to continue the $10 tariff-free gift privilege. Unless oversea military personnel are exempted from the impending cancellation, an undue and unnecessary burden will be imposed on them.

It is difficult, indeed, for the VFW to believe that the withdrawal of this small privilege of sending a tariff-free $10 gift, is, in fact, a necessity. With tourists able to bring in $100 in tax-exempt purchases as often as once a month from foreign countries, with U.S. corporations able to purchase foreign companies in amounts of hundreds of millions, and in view of the tremendous economic assistance by this Nation, even to Communist regimes, the continuation of the authority for our military personnel to send home $10 tariff-free gifts, does not seem unreasonable.

While such gifts may not appear to some to be an important factor in morale, I believe that even a cursory survey of the opinion of U.S. officers and enlisted personnel overseas will disclose a widespread and intense resentment over the impending cancellation. I have recently returned from Europe. In the course of my travel, representing the commander in chief of the Veterans of Foreign Wars of the United States, Mr. Byron B. Gentry, I had the opportunity to meet with numerous officers and enlisted personnel of our armed services. This matter of the impending cancellation of gift mailing is deeply resented by them.

It was only a short time ago that military personnel had the privilege of mailing $50 tariff-free gifts. That authority was allowed to lapse, leaving service personnel only the broad $10 gift-mailing entitlement. If this, too, is taken away from them, they will then have only the dubious privilege, in accordance with pending plans, of mailing to their mothers, fathers, relatives, and sweethearts gifts of not more than $1. This is at best a ridiculous entitlement.

It is generally recognized that one of the basic and acute problems in defense matters is the retention of experienced military personnel many of whom are overseas because of duty assignment, and not because of personal choice. To deprive them of this small privilege of sending a modest gift to a loved one in the United States is an insult to their intelligence and creates a continuing and unnecessary cause of resentment.

In the interest of service morale and just plain fair treatment for those who serve in our Armed Forces overseas, the VFW strongly urges that the Department of Defense take such action as is necessary to prevent the $10 gift-mailing privilege from being taken away from military personnel.

Sincerely,

J. D. HITTLE.

---

ASSISTANT SECRETARY OF DEFENSE,
*Washington, D.C., February 8, 1963.*

Brig. Gen. J. D. HITTLE,
*USMC, Retired, Director, National Security and Foreign Affairs, Veterans of Foreign Wars of the United States, Washington, D.C.*

DEAR GENERAL HITTLE: Thank you for your views expressed in your letter of January 22.

The Department of Defense shares your concern over the impact the Commissioner of Customs' proposal to reduce the value of articles which may be admitted free of duty would have on the morale of our personnel, and we have strongly recommended to the Secretary of the Treasury that Department of Defense personnel who are stationed overseas be exempt from this regulation.

The continued support of your organization in these matters is greatly appreciated.

Sincerely,

NORMAN S. PAUL.

---

## SMALL BUSINESS COMMITTEE FACES HEAVY WORKLOAD DURING 88TH CONGRESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. EVINS] 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 Oklahoma?

There was no objection.

Mr. EVINS. Mr. Speaker, as the new chairman of the House Small Business Committee, I want to take this opportunity to invite the attention of the Members to the work and the accomplishments of the committee during the preceding 87th Congress. An examination of the hearings held by the committee, the reports covering those hearings, and the additional reports covering the staff's studies and the 60-odd field investigations, will serve to demonstrate that this committee has been on the job and working diligently in furtherance of the tasks and duties assigned to it by the House.

I want to mention also that, in addition to all of the foregoing, the committee handled more than 500 small business problems referred to the committee by various Members of the House.

Under the chairmanship of the gentleman from Texas, Congressman WRIGHT PATMAN, the House Small Business Committee, during the 87th Congress, much was accomplished.

As the newly appointed chairman of this committee, I want to assure the Members of the House that the committee will continue to work industriously and effectively. There will be no lessening of the workload intensity of the committee's work or of the determination and dedication of the committee to carry out effectively its assigned mission. There will be no lessening of the accomplishments of the committee.

A rather complete picture of the work of the committee during the 87th Congress can be obtained by referring to the various recommendations set forth in the committee's final report, which was distributed on January 3 of this year. This final report will show that the committee submitted to the House 37 individual recommendations covering small business problems in about a dozen different fields of economic activity. To be specific, the recommendations dealt with small business problems associated with antitrust, taxation, distribution, the Small Business Administration, Government procurement, foreign trade, television, urban renewal, area redevelopment, and the aluminum industry.

In order that the Members may have more detailed information about these recommendations, there is reprinted below that chapter of the committee's final report which describes and explains each of the committee's 37 conclusions and recommendations:

CHAPTER XIX. CONCLUSIONS AND RECOMMENDATIONS

GENERAL

"The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation. * * * the Government should aid, counsel, assist, and protect, insofar as possible, the interests of small business concerns in order to preserve free competitive enterprise" (Small Business Act of 1958).

At the time of its establishment, during the opening days of the 87th Congress, the House Small Business Committee was charged with the duty to "conduct studies and investigations of the problems of all types of small business."[1] Since that time, the committee has sought out and examined the problems of the small business sector of the national economy. Investigation has likewise been made of those situations and conditions appearing to be prejudicial or detrimental to small business.

Small business continues to suffer from a manifold complex of discriminations. Inequities in the Federal tax structure, although lessened to a degree by legislation adopted during the 87th Congress, continue to impair the growth of small businesses. Adequate financing at reasonable rates of interest is not sufficiently available from conventional sources. Government procurement practices have not fully achieved the objective of awarding to the small business sector that proportion of contracts justified by its capabilities. Research and development contracts, in particular, continue to be awarded almost exclusively to larger concerns. The trend toward industrial and economic concentration is accelerating. Unfair and monopolistic practices continue to be employed by large corporations. Deficiencies in the antitrust statutes often prevent effective protection of the public interest.

The Nation's small businesses cannot permanently survive these discriminations, nor—without the required assistance—can they fully utilize the opportunities inherent in our Nation's continuing growth. New problems lie ahead.

America's increasing participation in international trade presents both a challenge and an opportunity, particularly to the small business community. Rapidly changing conditions in our cities, smaller towns, and rural areas pose serious problems for the small businessman.

America cannot fully prosper without a vigorous and expanding small business community. If the strengths accruing to our Nation and its economic system from this source are to be retained for posterity, action is imperative.

The Select Committee on Small Business of the House of Representatives, believing that the Congress shares its concern with the problems of small business, submits the following as its recommendations, for consideration by the Members and appropriate legislative committees of the House of Representatives.

ANTITRUST AND TRADE REGULATION

1. It is recommended that the Federal Trade Commission Act be amended to provide that sales at unreasonably low prices or at prices below cost constitute an unfair act or practice and are violative of the Federal Trade Commission Act, and that such acts and practices would be subject to private litigation for damages by small business firms injured thereby.

This recommendation expresses the intent and purpose of H.R. 127, which was introduced on January 3, 1961, by Representative WRIGHT PATMAN, chairman of the Select Committee on Small Business. A number of other Members of the House also introduced identical measures.

The purpose of these bills is to prohibit by Federal law certain discriminations in price which also involve sales at unreasonably low prices, including those at levels below cost. This would be accomplished by adding a new section to the Federal Trade Commission Act.

---

[1] H. Res. 46, 87th Cong., 1st sess.

This is a recommendation which has been made by this committee in prior Congresses, and legislation to accomplish these objectives has also been introduced in past Congresses. The necessity for prompt action becomes increasingly urgent. Daily, the committee receives letters from small businessmen who are receiving serious injury from below-cost selling carried on by large concerns for the express purpose of eliminating competition. The unreasonably low prices dealt with here do not benefit consumers. Rather, leading as they inevitably do to the elimination of competition, the predictable result of this predatory practice is ultimate higher costs to the consumer.

Extensive hearings and investigations during the 87th and prior Congresses have conclusively established that small businesses engaged in a variety of industries throughout the country are receiving irreparable injury from this form of unfair competition. The limited financial resources of the small businessman do not permit him to successfully combat this practice. Since the problem is national in scope, small business has no recourse other than seeking relief through appropriate legislation by the Congress.

During the 87th Congress, the demand for action continued to grow. As pointed out by Chairman PATMAN in his testimony before the Committee on Interstate and Foreign Commerce:

"On July 18, 1961, representatives of several hundred thousand persons and of many thousands of small business firms conferred with the President of the United States at the White House and petitioned for early favorable consideration of legislation designed to help small business.

"Specifically, the President was urged to support legislative proposals which would curb predatory pricing practices destructive of small business, and other legislation which would empower the Federal Trade Commission to issue temporary cease and desist orders pending completion of litigation, when required to protect the public interest."

PRESENT LAW IS INADEQUATE

The Supreme Court of the United States, on January 20, 1958, by a 5-to-4 decision, held that section 3 of the Robinson-Patman Act is not a part of the Federal antitrust laws and therefore is not available for proceedings by persons injured as a result of actions forbidden by the antitrust laws. The Court so held in the cases of *Nashville Milk Company* v. *Carnation Company* and *Safeway Stores, Inc.* v. *Vance* (355 U.S. 373 and 389). The ruling by the Court in these cases means that, under existing law, small and independent business concerns are not permitted to use section 3 of the Robinson-Patman Act in proceedings against unlawful selling at unreasonably low prices—even though those practices result in the creation of monopoly.

Chairman PATMAN, in his testimony, expressed the necessity for legislative action in this manner:

"At the Federal level, what can be expected under existing provisions of other laws to help protect small business firms from the ravages and the devastation visited upon them as a result of these predatory pricing practices of large, multiple-market operators in selecting first one area and then another in which to sell at prices below cost until all competition in each of such areas is eliminated? At one time there was hope that section 5 of the Federal Trade Commission Act could be relied upon for help in that respect. However, largely because a Federal court in 1919, in the case of *Sears, Roebuck & Co.* v. *Federal Trade Commission*, 258 F. 307, held that section 5 of the Federal Trade Commission Act was not applicable to sales at prices below cost, the Federal Trade Commission has since been reluctant to attack the practice unless it was shown to be coupled with an intent to destroy competition. In other words, the Commission now considers that the application of that law to predatory pricing practices would require a standard of proof equivalent to a showing of criminal intent to destroy competition. The Commission and the Department of Justice do not consider that, under the existing law, they are empowered to proceed against the practice of selling at prices below cost simply upon a showing that the effects and results are substantial lessening of competition and tendency to create monopoly.

"The States have tried to deal with this problem; many of the States have enacted legislation to combat this practice of selling at prices below cost. The courts have upheld the State laws, but, due to the fact that the law of any State does not reach beyond the State line, it can have no application to transactions in interstate commerce. The need for Federal legislation on the subject to fill this void is most obvious."

2. It is recommended that the Federal Trade Commission Act be amended to authorize and empower the Federal Trade Commission to enter temporary cease and desist orders to provide temporary injunctive relief pending the issuance of final orders in protracted litigation.

On August 21, 1961, Representative TOM STEED, Democrat, of Oklahoma, chairman of Subcommittee No. 4, introduced H.R. 8830, a bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings.

Early in the 87th Congress Representative STEED had introduced a somewhat similar bill, H.R. 1233. A number of other Members of the House also proposed similar legislation. Representative WRIGHT PATMAN, chairman of the full committee; Representative JOE L. EVINS, chairman of Subcommittee No. 1; Representative JAMES ROOSEVELT, chairman of Subcommittee No. 5; and others sponsored legislation to empower the Federal Trade Commission to issue temporary cease and desist orders.

Specifically, the purpose of these measures is to amend section 5 of the Federal Trade Commission Act (15 U.S.C. 45) by adding a new subsection. Under its provisions, if the Commission concludes that a prima facie showing has been made that it would be in the public interest to issue a temporary cease and desist order in a proceeding, and the respondent to whom the complaint has been directed has not shown why such temporary order should not be issued, then it shall be the duty of the Commission to issue such temporary cease and desist order.

These bills provide adequate safeguards. Before any temporary cease and desist order is issued, the respondent must be given ample notice to appear and object to the issuance of the order. It is also incumbent upon the Commission to show that the proposed order would be in the public interest. In addition, any such order of the Commission would be subject to judicial appeal.

Too frequently, inordinate delays have characterized the disposition of proceedings before regulatory agencies, such as the Federal Trade Commission. Decisions are sometimes delayed for periods ranging from 6 to 10 years. Under existing law, the Commission does not have the power to halt the practices complained of prior to final disposition of the case. In the meantime, the small business which originally filed the complaint has long since been destroyed.

3. It is recommended that the Packers and Stockyards Act of 1961 be amended to strengthen independent competition in the sale of meat and meat products by making it unlawful for packers and retailers to integrate their functions in the processing and the marketing of meat and meat food products in excess of an aggregate annual volume where competition would be adversely affected by the integration of such functions.

Since the issuance of the meatpacking decree of 1920, the principle has been well established that the large packers may not vertically integrate "downward" into retailing. The provisions of this decree have served the public interest well in curbing this threat to competitive markets. In recent years, however, large retail food chainstores have been integrating "upward" into the feeding, slaughtering, and preparing of livestock. Many small, independent businesses are being destroyed in this process.

Representative JAMES ROOSEVELT, chairman of Subcommittee No. 5, introduced H.R. 10392 to protect these small businesses by preventing further integration of the functions of packers and retailers.

Testimony adduced at hearings and continuing investigations have fully established the necessity for this legislation. Large packing concerns continue to strain for recision of the 1920 decree; the giant food chains continue to enlarge their slaughtering operations. The independent meatpacker is caught in a pincer between the two.

4. It is recommended that the Federal Trade Commission Act be amended to prohibit vertical integration in the food industry where the integration of the functions of processing, wholesaling, and retailing of food would have the effect of substantially lessening competition or tending to create a monopoly in any line of commerce.

As a result of extensive hearings held during the 86th Congress and continuing investigations during the 87th Congress respecting small business problems in food distribution, it was found—

(1) That the 10 largest chain food stores in this country account for almost 30 percent of all U.S. food sales; and

(2) That the three largest chain food stores in this country account for approximately 47 percent of the total of all chain foodstore sales;

(3) That there is evidence that, if left unchecked, a decreasing number of food stores will obtain an increasing share of the market, and

(4) That retail chain food stores have so vertically integrated their operations that they are now engaged in business at every stage—from control of the basic foodstuff or related commodity, through its manufacture, processing, or other preparation, to its retail sale to the consumer, and

(5) That, as a result of this vertical integration, many independent operators of businesses at all levels of the food industry have been eliminated.

The committee feels that, as shown by these facts, vertical integration of the food industry is developing at a rate destructive to free competition. To permit this development to continue unchecked would be to deny the economic principles upon which the antitrust laws are based.

This measure will make it unlawful and an unfair act and practice in commerce within the meaning of section 5 of the Federal Trade Commission Act, for any person, partnership, or corporation engaged in the retail sale of merchandise through food or grocery stores, in or affecting commerce, to engage in the manufacturing, processing, or preparation of any food or related merchandise for sale through food or grocery stores, where the effect of the integration of the retailing of such merchandise with such manufacturing, processing, or preparation may be to substantially lessen competition or to tend to create a monopoly in any line of commerce.

5. It is recommended that legislation be enacted to provide for prenotification of proposed mergers of firms within the jurisdiction of the Federal Trade Commission by giving to the Federal Trade Commission and

to the Antitrust Division of the Department of Justice notice of and information concerning the proposed mergers before they are consummated.

This proposal has been recommended in previous Congresses by the Small Business Committee. Hearings by legislative committees and the reports issued to both the House of Representatives and the Senate in past Congresses have well established the many reasons why enactment of this proposal is needed. The necessity for its enactment has become more urgent with the passage of time. The recent study on "Mergers and Superconcentration" by this committee reveals the extent to which the merger movement has increased industrial concentration in recent years.

6. The Department of Justice and the Federal Trade Commission should determine whether contract growing of poultry is diminishing through the cooperative and voluntary efforts of the various segments of the broiler industry. If it is found that the practice is not diminishing, the Department of Justice and the Federal Trade Commission should actively investigate, under the antitrust laws, the legality of the contract growing of poultry.

Every effort should be made to do away with contract growing. If possible, this should be attempted through the cooperative efforts of the various segments of the broiler industry. Farm organizations and the U.S. Department of Agriculture should actively assist such voluntary measures. If this proves impossible, however, the Department of Justice and the Federal Trade Commission should actively investigate the legality of contract growing under the antitrust laws.

Under section 3 of the Clayton Act, tying contracts, full-line forcing, and exclusive dealing arrangements are illegal if they substantially lessen competition or tend to create a monopoly. Broiler-growing contracts contain provisions similar in function to these prohibited practices. For example, requiring a grower to patronize a particular hatchery or processor could be said to approximate a form of full-line forcing or exclusive dealing if the contractor owns either of the businesses. A requirement to use only a designated type of feed and chick might be considered a tying arrangement or full-line forcing. Similarly, restriction on the use of feed by a grower could possibly be deemed an illegal exclusive dealing practice under the theory of *Standard Oil of California* v. *United States* (337 U.S. 293 (1949)), particularly since there appears to be a trend toward greater concentration in broiler-growing operations. Finally, contract growing might be found to run afoul of section 5 of the Federal Trade Commission Act where unfair methods of competition are declared invalid. The reasoning enunciated in *Federal Trade Commission* v. *Motion Picture Advertising Service Co.* (344 U.S. 392 (1953)) might be considered applicable here.

(a) The Department of Justice and the Federal Trade Commission should examine the operations of food chainstores to ascertain whether unlawful buying practices of poultry exist.

7. It is recommended that more personnel be provided for the Division of Discriminatory Practices of the Federal Trade Commission and such other branches of the Bureau of Trade Restraint as the appropriate legislative committee may deem necessary.

At the present time the caseload resulting from enforcement of the Robinson-Patman Act is increasing sharply. Approximately 25 lawyers in the Division of Discriminatory Practices of the Federal Trade Commission are presently invested with the responsibility for enforcing this bulwark of protection for small business. The backlog of cases is nearing unworkable proportions. If the small business community is to receive effective and needed enforcement of the Robinson-Patman Act, additional personnel must be supplied for this vital task. The other areas of antimonopoly enforcement falling within the jurisdiction of the Bureau of Trade Restraint, Federal Trade Commission, also have mounting backlogs of cases. The appropriate legislative committee should determine whether additional personnel are required to correct this situation. It should also be noted that the power to enter temporary cease-and-desist orders as recommended by this report would prove of immeasurable assistance in this respect.

8. It is recommended that the appropriate committees in the 88th Congress study the policies and practices of the Federal Trade Commission regarding the conduct of negotiations for "consent orders" under proceedings which may deny interested or aggrieved parties timely opportunities to review the provisions in proposed "consent orders" and express themselves thereon.

9. It is recommended that the appropriate committees in the 88th Congress study the practices of the Federal Trade Commission and the Antitrust Division of the Department of Justice with respect to agreeing to the entry of "consent orders" and "consent decrees" which do not adequately provide, from the viewpoint of small business and the public interest, the injunctive relief indicated in the antimonopoly complaints, which are intended to be disposed of by the proposed consent agreements.

(See ch. V of this report for a discussion of the reasons these studies would be in the public interest.)

TAXATION

It is recommended that during the 88th Congress any program of general tax reform include the following:

10. Amendment of the Internal Revenue Code to provide a program of tax adjustment for small business and for persons engaged in small busines by allowing as a deduction for the taxable year an amount measured by the additional investment in such trade or business for the taxable year not to exceed $30,000 or 20 percent of the net income, whichever is the lesser.

This plan for allowing a tax adjustment for small business has been made the subject of a recommendation in reports submitted by the Small Business Committee heretofore. Also, members of this committee and the Ways and Means Committee from both sides of the aisle in prior Congresses have introduced bills to this effect. A tax adjustment of this nature for business is essential to attain the rate of economic growth necessary for an expanding national economy. Small business firms require this tax provision, since retained earnings are their chief source of funds for modernization and expansion. The present tax law does not allow sufficient earnings to be retained for this purpose.

11. Examination of Public Law 87-834 by the appropriate legislative committee and consideration of revisions which would make it more applicable to small business. Its limitation to $50,000 for purchase of used property in any one year and to property with a useful life of at least 4 years excludes many small businessmen from the operation of the 7-percent income tax credit offered by Public Law 87-834.

Amending Public Law 87-834 by removing the above limitations would allow many additional small businesses to avail themselves of the benefits of this provision of the tax law.

12. An examination of the impact of excise taxes on small business. Particular care should be taken to reduce inequities resulting from administrative reversals of long-standing decisions concerning taxability of specific items.

An example of the impact this can have upon a small business-dominated industry is the recent decision concerning the taxability of high fidelity radio and phonograph components.

13. It is recommended that the Internal Revenue Code be amended to—

(a) Permit small business investment companies to set up reserves for losses and bad debts and to deduct reasonable additions to such reserve, up to 20 percent of an SBIC's investments and loans.

(b) Exempt SBIC's from the accumulated earnings tax.

(c) Provide that a stockholder in an SBIC shall not be deemed to own stock in a small business concern, merely because of the equity held by the SBIC of which he is a stockholder. This would exempt SBIC's from the personal holding company surtax because of such stockownership.

(d) Allow privately owned SBIC's to qualify as regulated investment companies, thus enabling them to pass through profits to stockholders. Publicly owned SBIC's registered with the Securities and Exchange Commission already enjoy this privilege.

(e) Allow losses sustained on any equity securities held by an SBIC to be applied against ordinary income. At present the law grants such deductions only to securities obtained by conversion from debentures.

(f) Permit a small corporation with an SBIC as a shareholder to be taxed under the code as a partnership.

Small business investment companies are performing a vital function in providing a long-needed source of long-term and equity capital for small businesses. These proposed amendments to the Internal Revenue Code would remove several severe hindrances imposed upon them by our present tax laws. The chairman of the committee introduced a bill in the 87th Congress containing these proposals.

DISTRIBUTION

14. It is recommended that the Federal Trade Commission continue to maintain vigilance in insuring that dealer aid or other financial assistance from petroleum suppliers to retail service stations is administered in a manner consistent with the intent and purpose of the Robinson-Patman Act.

The use of dealer aid by petroleum companies has long been a matter of great controversy. Of late, a number of suppliers have announced their abandonment of the practice. In some cases the policy of using dealer aid has been reinstated and, in at least one instance, later reabandoned. It is clear that, improperly used, dealer aid can be a particularly vicious form of discriminatory practice. A study in depth is needed to establish the nature, effect, and implications of dealer aid, and whether its use should be abandoned. If use of this device is to be continued, its proper usage must be defined.

15. It is recommended that, in light of the fact that only limited attention could be given to the supplier-dealer relationship within the petroleum industry during the 87th Congress, and, in light of the fact that certain undesirable practices were discovered, continued attention be paid to the economic relationship between petroleum companies and service station operators during the 88th Congress, in order to determine whether petroleum companies are refraining from abuses of the power inherent in their dual role of landlord and supplier, or whether further corrective legislative action is necessary to equate the rights of the dealers with those of the suppliers.

16. It is recommended that the Small Business Committee, during the 88th Congress, hold hearings to consider the impact upon independent retailers of the presently growing system of dual distribution by manufacturers of rubber tires and other commodities.

The committee should also consider whether the present antitrust laws provide adequate protection for small, independent retailers and the consuming public from the

effects of dual distribution. Unless an exhaustive inquiry is made respecting dual distribution practices, it appears likely that further inroads will be made into a sphere of activity heretofore conducted almost exclusively by small businesses.

17. The committee recommends that legislation be promptly considered by the appropriate legislative committee which will prevent the encumbrance of basic lease/leaseback agreements or similar devices made to petroleum jobbers and dealers with conditions which are burdensome and unnecessary from the standpoint of adequately guaranteeing loans made by lending institutions.

In addition, petroleum suppliers should give immediate and serious consideration to the elimination of these objectionable conditions in order to forestall, wherever possible, the imposition of legislative action.

In the summary of the reports of the Subcommittee on Distribution in this final report there appears in recommendation No. 1 a complete listing of the specific provisions referred to above.

SMALL BUSINESS ADMINISTRATION

18. It is recommended that during the 88th Congress the appropriate legislative committee promptly consider enactment of legislation providing for SBA guarantee of rentals due under certain leases of reality to small businessmen. Timely passage of this measure could do much toward making available desirable space to small businessmen.

In most American cities the last decade has seen both a renewal of many portions of the downtown areas and an exodus to suburbia. Many small businessmen have been forced to move because of highway construction or other renewal activity. Others have found that the location they occupy is no longer desirable.

Most of the better commercial realty is rented on a long-term basis. The owners are often reluctant to enter into an agreement of this kind with small retailers because they lack confidence in the stability of such enterprises and question their capacity to meet their obligations over a sustained period of time. Lessors therefore prefer to deal with large companies enjoying high credit ratings. Where such tenants are available, applications from small retailers are not likely to be accepted.

This problem has been greatly magnified in recent years by the vast construction activities which are transforming the downtown areas of most cities and are expanding the commercial activities of their suburbs. The store facilities available in the rapidly growing number of new office buildings, apartment houses, and shopping centers represent prime space for retailers. The importance of such space to the future of small retailers needs no emphasis.

Many small retailers applying for admission to desirable premises have been turned away. The evidence further indicates that in such cases the reluctance of the owner to grant a lease to a small retailer may be overcome by assurance, from a third party whose credit is acceptable, that rentals due under the lease will be paid. Since such assurance cannot normally be obtained from private sources, the need for Government action is clear.

19. It is recommended that the Small Business Administration undertake to carry out the duty delegated to it by the Small Business Act, as amended, "to assist small business concerns to obtain the benefits of research and development performed under Government contract or at Government expenses." An appropriation in such amount as is necessary should be provided for this purpose.

Each year billions of dollars are spent on research and development by the Federal Government. The practical know-how and technical knowledge thus obtained is public property. Small businesses lack the resources required to carry on independent programs of research and development.

No greater contribution could be made to the future of small businesses than to make available to them in usable, nontechnical form the fruits of the Federal Government's extensive program of research and development. While not all the information derived from this source would be useful to small businesses—some of it is classified for security purposes—there remains a wealth of information which could be of vital assistance to them. This is an opportunity to make available to all segments of our economy the same access to the new technology now enjoyed only by the largest firms. Our Nation's commitment to the increase of knowledge through research is unmatched in the history of mankind. It is of the utmost importance that the results of this quest be given to all our people—to enrich their lives. strengthen our economy, and increase our rate of technological progress.

20. It is recommended that action be taken by the appropriate legislative committee, at such time as final figures are developed and submitted by the SBA, to increase the amount authorized for the revolving fund to meet the expanding operations and functions of the Small Business Administration.

21. In order to provide the public with a clear indication that the Small Business Administration is an instrumentality of the Federal Government, rather than a State or private organization, it is recommended that the name of the agency be changed to the Federal Small Business Administration.

22. It is recommended that, as a safeguard against criminal fraud resulting in the disposal or removal of property mortgaged to the SBA, criminal penalties be enacted comparable to those presently governing in the case of the farm credit agencies (18 U.S.C. 658).

The Small Business Administration has compiled an enviable record in the administration of its lending programs. However, existing laws do not contain penal provisions concerning fraud on the part of mortgagors. This safeguard would give additional protection against fraudulent practices.

23. It is recommended that the appropriation legislative committee give prompt consideration to legislation similar to H.R. 13189. This bill would—

(1) Liberalize compensations of Small Business Administration purchases of subordinated debentures;

(2) Increase the period during which an SBIC can negotiate the sale of such debentures to SBA;

(3) Give statutory approval to SBA "standby" guarantees of loans made by banks and other lending institutions and expand SBA's lending power under section 301;

(4) Liberalize limitations on amounts of investments in or loans to any one small business.

These proposed amendments would give small business investment companies liberalized means for obtaining and providing long-term and equity capital needed for expansion of existing small businesses and formation of new ones.

GOVERNMENT PROCUREMENT

It is recommended that—

24. Major research and development programs be reviewed constantly to determine the feasibility of breaking out, from the main body of these programs, and awarding to small businesses component parts which are within their capabilities.

25. The Departments of the Army, Navy, and Air Force, the National Aeronautics and Space Administration, and the Federal Aviation Agency make all possible advance information available to the Small Business Administration regarding proposed research and development programs, so that the latter may locate capable small business firms and alert them to these opportunities.

A prevalent practice within the Department of Defense is to request proposals for research and development only from a very few firms, frequently only from those who have performed similar work. The synopsis of the proposed procurement, if published at all, often recites only that the contract is being awarded to a specified firm or, at most, that competition is limited to named firms. This practice sharply confines the awarding of research and development contracts; it should be abandoned to the degree compatible with national security. Full information concerning pending research and development awards should be made available, whenever possible, to all segments of our economy.

26. The military construction set-aside program be continued and efforts be made to more fully utilize the capabilities of small contractors.

27. Adequate procedures and proper forums be developed to enable the small business subcontractor of Government procurement to promptly settle claims arising from the performance or termination of his subcontract. The small business subcontractor must have direct access to a proper forum for prompt action on his claim. Time-consuming litigation or reliance upon the willingness of the prime contractor to present his claim to the Government are the only means of redress presently available. Both have proven inadequate for securing prompt relief.

28. The Select Committee on Small Business during the 88th Congress conduct an extensive study, including the holding of hearings, concerning the procurement program of the Federal Government. Emphasis should be placed on ascertaining why small business continues to receive less than an equitable share of prime awards and subcontracts in many areas of procurement. Ways also should be found to increase the presently inadequate proportion of research and development contracts awarded to small business.

While some improvement has occurred, the small business sector continues to receive too small a share of procurement awards, particularly from the armed services. This not only constitutes an inequity, it also adds impetus to existing trends toward industrial concentration. Additionally, failure to fully utilize the productive potential of small business to the extent of its capabilities weakens both our economy and our defense effort.

FOREIGN TRADE

29. It is recommended that the Select Committee on Small Business during the 88th Congress investigate and study the effect of the Trade Expansion Act of 1962 upon the small business sector of the American economy.

The expansion of American participation in international trade will produce both the challenge of new competition for domestic markets and the opportunity to obtain new foreign markets. Our entire economy will be profoundly affected by the degree to which this challenge is met, the measure to which this opportunity is seized. Each will require a vigorous response by individual small businesses. As international trade increases, it is imperative that adequate information and appropriate programs of assistance are available to members of the small business sector.

30. It is recommended that not less than $15 million be appropriated and made available for loans to be made by the Small Business Administration under the provisions of section 2 of Public Law 87–550 to business firms injured by changed economic conditions resulting from tariff agreements negotiated with foreign nations under the provision of the Trade Expansion Act of 1962.

It is impossible to foresee precisely which industries may suffer temporary economic injury from our increasing participation in international trade. It is equally difficult to predict the exact amounts needed for this lending program. However, studies indicate that it would be imprudent to have less than the amount above recommended available and designated for this purpose. If such funds are not available when needed, businesses might be permanently injured or even fail, from causes which, with timely assistance, would have been only temporary in nature.

TELEVISION

31. It is recommended that during the 88th Congress the Small Business Committee conduct further hearings concerning current time-selling practices by networks and broadcasting stations to determine whether small businessmen are being denied adequate opportunities to promote their products by television advertising.

Hearings were held during the 87th Congress which indicated that there is evidence that small businesses do not have equal access to desirable television time for advertising their goods and services. To this end, the committee believes that a comprehensive survey of current time-selling practices by individual stations, independent as well as affiliated, should be made. Opportunity to be heard should be afforded to network organizations, station affiliates, broadcasters associations, independent TV stations, independent programing sources, officials of regulatory agencies and departments, and others desiring to participate and contribute to the study of this problem by the Congress. Through such hearings, it could be determined whether there is anything that can be done within the framework of existing laws and regulations to afford relief from the problems encountered by small business which have been outlined in this report, and whether further legislative recommendations should be made in order to enable small business firms to participate in this form of advertising. In this way, the committee is confident that a substantial contribution can be made to the economic health and growth of small business.

URBAN RENEWAL

32. It is recommended that during the 88th Congress the Select Committee on Small Business hold hearings and conduct such other studies as may be necessary to analyze the problems of small business in urban areas. Emphasis should be placed on those problems that arise from urban renewal, from neighborhood blight, and the population shift from "core city" areas to the suburbs.

Increasingly, new problems for small businessmen are arising in conjunction with the changes taking place in metropolitan areas. Frequently, because existing programs such as those administercd by SBA and FFHA were not fashioned to cope with these problems, many firms find themselves excluded from loans and other forms of assistance necesary for their survival. Any program is helpful only to the degree that it relates to the current needs of those it is designed to assist. A reappraisal of the current problems of urban small businesses is urgently required for the purpose of determining ways in which present forms of assistance may be altered to provide more effective assistance.

AREA REDEVELOPMENT

33. It is recommended that the Small Business Committee, during the 88th Congress, study the problems of small business in economically distressed areas for the purpose of finding methods and techniques by which assistance to small business may be better used in building the local economy of these areas in conjunction with such programs as that of the Area Redevelopment Administration.

Areas suffering persistent economic distress need new business, new industry, new payrolls. Not all these regions can expect plants to be opened by large firms. New growth is more often based on the entry of smaller firms into the area economy. The most certain road to stable growth is through the establishment and expansion of small businesses.

ALUMINUM

34. It is recommended that the Department of Justice continue to examine all mergers and acquisitions in the aluminum industry with particular reference to the acquisition by primary aluminum producers of aluminum fabricators, and when warranted under law, to institute appropriate action.

35. It is recommended that the Department of Commerce continue its surveillance of the aluminum scrap export market, particularly regarding the availability of an adequate supply of domestic aluminum scrap, for the purpose of determining the need to impose controls under Export Control Act.

36. It is recommended that the Federal Trade Commission continue to investigate the arrangements involving the sale of molten aluminum by primary producers for the purpose of determining whether such sales result in discriminatory price differentials, and take such action as may be indicated.

37. It is recommended that the Federal Trade Commission continue to study the effect on competition of the acquisition by integrated aluminum producers of aluminum fabricators; all other acquisitions, horizontal or vertical, in the industry; and take such action as may be indicated.

## SUPREME COURT UPHOLDS CONSTITUTIONALITY OF ROBINSON-PATMAN ACT—AS AN AMENDMENT TO OUR ANTITRUST LAWS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. EVINS] 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 Oklahoma?

There was no objection.

Mr. EVINS. Mr. Speaker, on Monday of this week, the Supreme Court made it clear that sales of milk below cost by the National Dairy Products Co., if made with intent to injure a competitor, may be illegal and violate section 3 of the Robinson-Patman Act. In so ruling, the Court sustained the legal sufficiency of an indictment which charged the giant Sealtest dairy organization with the sale of milk at unreasonably low prices in a number of midwestern markets.

In contesting the indictment, attorneys for the Sealtest organization argued that section 3 of the Robinson-Patman Act, which prohibits sales below cost with intent to injure competition, was unconstitutional because the language was vague and uncertain. The Supreme Court, however, by a 6-to-3 decision, found little difficulty in overruling this argument. In the opinion of the Court, the statute provided the Sealtest Co. with understandable warning of the nature of the charges and afforded Sealtest ample opportunity to defend itself against these charges.

The decision is of great importance and is destined to become one of the leading cases in the field of antitrust law. Up until recently, very few indictments under this particular section of the Robinson-Patman Act had been sought or obtained, but it would now appear that additional numbers of these cases can be expected. It can also be expected that this ruling of the Supreme Court will reduce the prevalence of discriminatory below-cost pricing which has proved to be so injurious to small business concerns throughout the country.

Prior to the time the National Dairy Products Corp. was indicted, a House Small Business Subcommittee, under the chairmanship of our colleague, Hon. TOM STEED, of Oklahoma, held a series of hearings on this subject in and around Kansas City. It appeared to the committee that small business dairies in that region were being driven out of business because of destructive discriminatory pricing policies then being applied by some of the giant dairy organizations. During the course of these hearings Congressman STEED uncovered facts disclosing that Sealtest and other large dairies were selling a half gallon of milk to retailers in Mexico, Mo., for 6 cents. A third generation family owned hometown small business dairy was forced to close its doors. Copies of the transcript of the testimony developed by the subcommittee were made available to the Department of Justice and one of the counts in the Sealtest indictment covered Sealtest's practices in Mexico, Mo.

The House Small Business Subcommittee, again under the chairmanship of our colleague, TOM STEED, developed additional testimony regarding the sale of milk at unreasonably low prices in other markets, including, for instance, Topeka, Kans., where a half gallon of milk was sold for a price of 14 cents. Other testimony received by the subcommittee was to the effect that Sealtest was absorbing losses incurred by its distributor in offering milk at below-cost prices in certain other markets. Prior to the Sealtest indictment, all of this and other evidence also was transmitted to the Department of Justice for consideration and action.

In fact, Mr. Speaker, I would like to take this opportunity to tell the House that this decision of the Supreme Court is merely one of the many developments that attest to the constructive work carried on by the House Small Business Committee in behalf of small business enterprise.

I ask unanimous consent that the full text of the Supreme Court's opinion in the Sealtest case be included in the RECORD.

SUPREME COURT OF THE UNITED STATES—No. 18.—OCTOBER TERM, 1962

(*United States, Appellant,* v. *National Dairy Products Corp., et al.*)

(On appeal from the U.S. District Court for the Western District of Missouri, Feb. 18, 1963)

Mr. Justice Clark delivered the opinion of the Court:

This case involves the question of whether section 3 of the Robinson-Patman Act, 15 U.S.C. section 13a, making it a crime to sell goods at "unreasonably low prices for the purpose of destroying competition or eliminating a competitor," is unconstitutionally vague and indefinite as applied to sales made below cost with such purpose. Na-

tional Dairy and Raymond J. Wise, a vice president and director, upon being charged, inter alia, with violating section 3 by making sales below cost for the purpose of destroying competition, moved for dismissal of the Robinson-Patman Act counts of the indictment on the grounds that the statute is unconstitutionally vague and indefinite. The District Court granted the motion and ordered dismissal. On direct appeal under the Criminal Appeals Act, 18 U.S.C. section 3731, we noted probable jurisdiction, 369 U.S. 833, because of the importance of the issue in the administration of the Robinson-Patman Act. We have concluded that the order of dismissal was error and therefore remand the case for trial.

I

National Dairy is engaged in the business of purchasing, processing, distributing, and selling milk and other dairy products throughout the United States. Through its processing plant in Kansas City, Mo., National Dairy has for the past several years been in competition with national concerns and various local dairies in the Greater Kansas City area and the surrounding areas of Kansas and Missouri. In the Greater Kansas City market National Dairy distributes its products directly, but cities and towns in the surrounding Kansas and Missouri areas outside this market are served by independent distributors who purchase milk from National Dairy and resell on their own account.

The indictment charged violations of both the Sherman Act, 15 U.S.C. 1, and the Robinson-Patman Act in Kansas City and in six local markets and in the adjacent area.[1] The Robinson-Patman counts charged National Dairy and Wise with selling milk in those markets "at unreasonably low prices for the purpose of destroying competition." Further specifying the acts complained of, the indictment charged National Dairy with having "utilized the advantages it possesses by reason of the fact that it operates in a great many different geographical localities in order to finance and subsidize a price war against small dairies selling milk in competition with it, by intentionally selling milk, directly or to a distributor, at prices below National's cost." In five of the markets National Dairy's pricing practice was alleged to have resulted in "severe financial losses to small dairies," and in two others the effect was claimed to have been to "eliminate competition" and "drive small dairies from" the market.

National Dairy and Wise moved to dismiss all of the Robinson-Patman counts on the grounds that the statutory provision, "unreasonably low prices," is so vague and indefinite as to violate the due process requirement of the fifth amendment and an indictment based on this provision is violative of the sixth amendment in that it does not adequately apprise them of the charges. The district court, after rendering an oral opinion holding that section 3 of the Robinson-Patman Act is unconstitutionally vague and indefinite, granted the motion and ordered dismissal of the section 3 counts. The case came here on direct appeal from the order of dismissal.

[1] Seven counts of the 15-count indictment charged violations of section 3 of the Robinson-Patman Act. The Sherman Act and Robinson-Patman Act counts relate to the same course of conduct.

One Robinson-Patman count, number XIII, charges Raymond J. Wise, a vice president and director of National, with authorizing National's pricing practice and ordering its effectuation in the Kansas City market. *United States* v. *Wise*, 370 U.S. 405 (1962), involves two Sherman Act counts of the indictment which named Wise as a defendant.

II

National Dairy and Wise urge that section 3 is to be tested solely "on its face" rather than as applied to the conduct charged in the indictment, i.e., sales below cost for the purpose of destroying competition. The Government, on the other hand, places greater emphasis on the latter, contending that whether or not there is doubt as to the validity of the statute in all of its possible applications, section 3 is plainly constitutional in its application to the conduct alleged in the indictment.

It is true that a statute attacked as vague must initially be examined "on its face" but it does not follow that a readily discernible dividing line can always be drawn, with statutes falling neatly into one of the two categories of "valid" or "invalid" solely on the basis of such an examination.

We do not evaluate section 3 in the abstract.

"The delicate power of pronouncing an act of Congress unconstitutional is not to be exercised with reference to hypothetical cases * * * (a) limiting construction could be given to the statute by the court responsible for its construction if an application of doubtful constitutionality were * * * presented. We might add that application of this rule frees the Court not only from unnecessary pronouncement on constitutional issues, but also from premature interpretations of statutes in areas where their constitutional application might be cloudy." *United States* v. *Raines*, 362 U.S. 17, 22 (1960).

The strong presumptive validity that attaches to an act of Congress has led this Court to hold many times that statutes are not automatically invalidated as vague simply because difficulty is found in determining whether certain marginal offenses fall within their language. E.g., *Jordan* v. *DeGeorge*, 341 U.S. 223, 231 (1951), and *United States* v. *Petrillo*, 332 U.S. 1, 7 (1947). Indeed, we have consistently sought an interpretation which supports the constitutionality of legislation. E.g., *United States* v. *Rumely*, 345 U.S. 41, 47 (1953); *Crowell* v. *Benson*, 285 U.S. 22, 62 (1932); see *Screws* v. *United States*, 325 U.S. 91 (1945).

Void for vagueness simply means that criminal responsibility should not attach where one could not reasonably understand that his contemplated conduct is proscribed. *United States* v. *Harriss*, 347 U.S. 612, 617 (1954). In determining the sufficiency of the notice a statute must of necessity be examined in the light of the conduct with which a defendant is charged. *Robinson* v. *United States*, 324 U.S. 282 (1945). In view of these principles we must conclude that if section 3 of the Robinson-Patman Act gave National Dairy and Wise sufficient warning that selling below cost for the purpose of destroying competition is unlawful, the statute is constitutional as applied to them.[2] This is not to say that a bead-sight indictment can correct a blunderbuss statute, for the latter itself must be sufficiently focused to forewarn of both its reach and coverage. We therefore consider the vagueness attack solely in relation to whether the statute sufficiently warned National Dairy and Wise that selling "below cost" with predatory intent was within its prohibition of "unreasonably low prices."

III

The history of section 3 of the Robinson-Patman Act indicates that selling below cost, unless mitigated by some acceptable business exigency, was intended to be prohibited by the words "unreasonably low prices." That sales below cost without a justifying business reason may come within the proscriptions of the Sherman Act has long been established. See e.g., *Standard Oil Co.* v. *United States*, 221 U.S. 1 (1911). Further, when the Clayton Act was enacted in 1914 to strengthen the Sherman Act, Congress passed section 2 to cover price discrimination by large companies which compete by lowering prices, oftentimes below the cost of production * * * with the intent to destroy and make unprofitable the business of their competitors. H.R. Rep. No. 627, 63d Cong., 2d sess. 8. The 1936 enactment of the Robinson-Patman Act was for the purpose of strengthening the Clayton Act provisions, *Federal Trade Commission* v. *Anheuser-Busch, Inc.* 363 U.S. 536, 544 (1960); and the act was aimed at a specific weapon of the monopolist—predatory pricing. Moreover, section 3 was described by Representative Utterback, a House manager of the Joint Conference Committee, as attaching criminal penalties in addition to the civil liabilities and remedies already provided by the Clayton Act. (80 CONGRESSIONAL RECORD, p. 9419.)

The Court, in *Moore* v. *Mead's Fine Bread Co.*, 348 U.S. 115 (1954), a case based in part on section 3, recognized the applicability of the Robinson-Patman Act to conduct quite similar to that with which National Dairy and Wise are charged here. The Court said, "Congress by the Clayton Act and Robinson-Patman Act barred the use of interstate business to destroy local business" through programs in which "profits made in interstate activities would underwrite the losses of local price-cutting campaigns" (Id. at 120, 119).

In proscribing sales at unreasonably low prices for the purpose of destroying competition or eliminating a competitor we believe that Congress condemned sales made below cost for such purpose. And we believe that National Dairy and Wise could reasonably understand from the statutory language that the conduct described in the indictment was proscribed by the act. They say, however, that this is but the same horse with a different bridle because the phrase "below cost" is itself a vague and indefinite expression in business.

Whether "below cost" refers to "direct" or "fully distributed" cost or some other level of cost computation cannot be decided in the abstract. There is nothing in the record on this point, and it may well be that the issue will be rendered academic by a showing that National Dairy sold below any of these cost levels. Therefore, we do not reach this issue here. As we said in *Automatic Canteen Co.* v. *Federal Trade Commission* (346 U.S. 61, 65, (1953)): "Since precision of expression is not an outstanding characteristic of the Robinson-Patman Act, exact formulation of the issue before us is necessary to avoid inadvertent pronouncement on statutory language in one context when the same language may require separate consideration in other settings."

Finally, we think the additional element of predatory intent alleged in the indictment and required by the act provides further definition of the prohibited conduct. We believe the notice here is more specific than that which was held adequate in *Screws* v. *United States*, 325 U.S. 91 (1945), in which a requirement of intent served to "relieve the statute of the objection that it punishes without warning an offense of which the accused was unaware." Id., at 102; see id., at 101–107. Proscribed by the statute in *Screws* was the intentional achievement of a result, i.e., the willful deprivation of certain rights. The act here, however, in prohibiting sales at unreasonably low prices for the purpose of destroying competition, listed as elements of the illegal conduct not only

[2] It should be noted that, in reviewing a case in which a motion to dismiss was granted, we are required to accept well-pleaded allegations of the indictment as the hypothesis for decision. *Boyce Motor Lines* v. *United States*, 342 U.S. 337, 343 (1952).

the intent to achieve a result—destruction of competition—but also the act—selling at unreasonably low prices—done in furtherance of that design or purpose. It seems clear that the necessary specificity of warning is afforded when, as here, separate, though related, statutory elements of prohibited activity come to focus on one course of conduct.

*United States* v. *Cohen Grocery Co.*, 255 U.S. 81 (1921), on which much reliance is placed, is inapposite here. In *Cohen* the act proscribed "any unjust or unreasonable rate or charge." The charge in the indictment was in the exact language of the statute, and, in specifying the conduct covered by the charge, the indictment did nothing more than state the price the defendant was alleged to have collected. Hence, the Court held that a "specific or definite" act was neither proscribed by the act nor alleged in the indictment. Id., at 89. Moreover, the standard held too vague in *Cohen* was without a meaningful referent in business practice or usage. [T]here was no accepted and fairly stable commercial standard which could be regarded as impliedly taken up and adopted by the statute * * *." *Small Co.* v. *American Sugar Rfg. Co.*, 267 U.S. 233, 240–241 (1925). In view of the business practices against which section 3 was unmistakably directed and the specificity of the violations charged in the indictment here, both absent in *Cohen*, the proffered analogy to that case must be rejected.

In this connection we also note that the approach to "vagueness" governing a case like this is different from that followed in cases arising under the first amendment. There we are concerned with the vagueness of the statute "on its fact" because such vagueness may in itself deter constitutionally protected and socially desirable conduct. See *Thornhill* v. *Alabama*, 310 U.S. 88, 98 (1940); *NAACP* v. *Button*, decided January 14, 1963, —U.S. -—. No such factor is present here where the statute is directed only at conduct designed to destroy competition, activity which is neither constitutionally protected nor socially desirable. We are thus permitted to consider the warning provided by section 3 not only in terms of the statute "on its face" but also in the light of the conduct to which it is applied. The reliance of National Dairy and Wise on first amendment cases is, therefore, misplaced.

IV

This opinion is not to be construed, however, as holding that every sale below cost constitutes a violation of section 3. Such sales are not condemned when made in furtherance of a legitimate commercial objective, such as the liquidation of excess, obsolete or perishable merchandise, or the need to meet a lawful, equally low price of a competitor (80 CONGRESSIONAL RECORD, pages 6332, 6334; see *Ben Hur Coal Co.* v. *Wells*, 242 F. 2d 481 (C.A. 10th Cir. 1957)). Sales below cost in these instances would neither be "unreasonably low" nor made with predatory intent. But sales made below cost without legitimate commercial objective and with specific intent to destroy competition would clearly fall within the prohibitions of section 3.

Since the indictment charges the latter conduct and, as noted, supra, we are bound by the well-pleaded allegations of the indictment, we must conclude that National Dairy and Wise were adequately forewarned of the illegal conduct charged against them and remand the case for trial. Our holding, of course, does not foreclose proof on the merits as to the reasonableness of the alleged pricing conduct or, for that matter, the absence of the predatory intent necessary to conviction.

Reversed and remanded.

SUPREME COURT OF THE UNITED STATES—No. 18.—OCTOBER TERM, 1962.

(*United States*, appellant, v. *National Dairy Products Corp. et al.*)

(On appeal from the U.S. District Court for the Western District of Missouri, February 18, 1963)

Mr. Justice Black, with whom Mr. Justice Stewart and Mr. Justice Goldberg join, dissenting.

The statute here involved makes it a crime to sell goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor. 15 U.S.C. section 13a. In *United States* v. *Cohen Grocery Co.*, 255 U.S. 81 (1921), this Court held unconstitutional and void for vagueness a statute which made it a crime "for any person willfully * * * to make any unjust or unreasonable rate or charge" in dealing in or with any necessaries. The rule established by that case has been often followed,[1] is in my judgment sound, and should control this case. Accordingly, I would affirm the district court's judgment holding the statute invalid. The Court here attempts by interpretation to substitute unambiguous standards for the vague standard of "unreasonably low prices" used by Congress in the statute. It seems to me that if this criminal statute is to be so drastically reconstructed it should be done by Congress, not by us. Moreover, I agree with the Attorney General's National Committee To Study the Antitrust Laws, which concluded:

"Doubts besetting section 3's constitutionality seem well founded; no gloss imparted by history or adjudication has settled the vague contours of this harsh criminal law." [2]

## DANGER SIGNALS FLY—PRESSURES MOUNT IN CUBAN REFUGEE SITUATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] 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 Oklahoma?

There was no objection.

Mr. FASCELL. Mr. Speaker, I wish to draw the attention of the House to the tragic and dangerous situation which has arisen in Miami, Fla., in which exiled Cubans have today engaged in street rioting accompanied by threats and imprecations against local police authority and the American way of life. In so doing they have disrupted the peace of a friendly community and fallen prey to those who would add fuel to the Communist propaganda line.

I refer, Mr. Speaker, to reports from Miami advising:

ASSOCIATED PRESS, THURSDAY, FEBRUARY 21.—At 10 a.m. this morning four pacifists carrying picket signs began to picket the Cuban Revolutionary Council at 17th and Biscayne Boulevard, Miami. A riot began. One of the revolutionary council officials, with a loudspeaker, asked all to be calm. Thereupon, some 200 or more Cubans entered the foray with bottles, eggs, stones, and other items.

The police were called. The riot squad of police and dogs tried to break up the gathering. Six policemen were seen fighting with one Cuban in an effort to get him under control. Thirteen Cubans were picked up by the Miami police, four of whom are reportedly members of the 2506 Brigade. Fire trucks were called to the scene ready to use water hoses to disperse the crowd. Attempts by members of the Cuban Revolutionary Council to quell the violence were responded to by jeers and catcalls by their fellow Cubans. During the riot, Cubans were heard screaming:

"Even Castro does not permit this," followed by denunciatory statements to the effect that they did not like nor did they want "this kind of democracy," the kind that would let this type of people run around loose. The rioters fighting the police screamed and denounced them as "Communists."

The following was today carried on the United Press wires:

Violence erupted today when a group of pacifists attempted to picket the headquarters of the Cuban Revolutionary Council. Club-wielding police quickly broke up the demonstration when 200 angry Cubans clashed with the pickets. About half a dozen exiles were arrested by police, who entered the headquarters of the council, prepared for what looked like the beginning of a street riot. The police were denounced violently by the Cubans, many of them members of the Cuban invasion brigade, who shouted, "Communists—even Castro doesn't do this in Cuba." Three fire trucks moved into a side street and prepared to douse the area with water if necessary. Police, under command of Miami Safety Director Col. Don Pomerleau, broke up the disorders within 10 minutes. Trouble started even before the arrival of the pickets when Spanish-speaking police, using a portable loudspeaker, requested the Cubans to remain inside the property limits of the council grounds.

Jose A. Hernandez, a spokesman for the council's labor organization, speaking to the Cubans through a microphone from the headquarters porch, urged them to go home peacefully and "not play into the hands of the Communists who want to cause disorder here."

The exiles reacted violently against the request and denounced Hernandez and shouted epithets at him. Another council representative, Raul Mendez, then appealed over the microphone for the crowd to go home.

His petition was greeted with loud boos and angry shouts. For a few minutes, it looked like some members of the crowd were going to attack the two council representatives. At this point, the police, who originally posted about 15 men, summoned reinforcements including about 15 motorcycle officers.

A few minutes later, the pickets, men and women—apparently Americans—arrived carrying signs bearing pacifist slogans such as "War will end man or man will end war" and "We oppose military service."

The pickets massed on a grassy mall directly in front of the council headquarters entrance and then suddenly violence erupted when one Cuban darted across the street and ripped a sign out of a picket's hands. Stones and bottles were hurled at the police by the Cuban exiles.

Police roped off the property of the council and refused to let anyone in or out.

Later, a group of about 100 Cubans, most of them members of invasion brigade 2506, set out on a protest march to police headquarters.

[1] *E.g.*, *Cline* v. *Frink Dairy Co.*, 274 U.S. 445 (1927); *Lanzetta* v. *New Jersey*, 306 U.S. 451 (1939); cf. *United States* v. *Cardiff*, 344 U.S. 174 (1952).

[2] Atty. Gen. Nat. Comm. Antitrust Rep. 201 (1955) (recommending repeal of sec. 3).

Mr. Speaker, the citizenry of Miami, Fla., has long borne with patience the burden of an onslaught of dispossessed Cubans—a burden which should long ago have been shared by the entire United States.

Valiant efforts have been made by our Presidents, the Federal and State agencies, our churches, business institutions, and individual citizens, to assist in every way possible.

Arriving in Miami penniless and with just the clothes they were wearing, almost all of these Cuban refugees had been forced to give up their homes, their businesses, their life savings, and all their personal property.

To help them meet the basic needs of existence, the Federal Government has made financial and other assistance available to them until they can become self-supporting.

Employment opportunity in Miami is limited. There simply are not enough jobs to accommodate both local residents and refugees. There arose open competition and economic conflict between the permanent citizenry and the incoming refugees. The balloon had to burst.

I have noted the ever-increasing frustrations, stresses, strains, and economic ills imposed on the people of my area. For this reason, I have for over 2 years fought for a more realistic approach to this long-festering situation.

I have repeatedly advocated—to two Presidents and Government officials—that Dade County and Florida had reached a saturation point on the receipt of Cuban refugees.

Long ago I urged, and have continued fighting for, the establishment of an additional port of entry and reception center.

Long ago, and many times since, I urged extension and amplification of the resettlement program under which the Government—through January 25, 1963, has resettled 53,974 Cubans, not quite one-third of the 157,525 persons entering and registering from Cuba. Again I reiterate, no community the size of metropolitan Dade County could conceivably be expected to absorb such a shock.

Time and time again, I have met with the Secretary of the Department of Health, Education, and Welfare and other top echelon governmental officials concerned with the Cuban refugee programs, to discuss the need to reevaluate the overall program. Long ago, it was obvious that this was no longer a temporary situation; the facts demanded that priority attention be devoted to resettlement—to opening a reception center elsewhere.

Admirable efforts have been made by this administration and the agencies of the Federal Government in their attempts to alleviate this situation. While the programs instituted have been highly successful, we have to do more.

On February 5 of this year, I addressed myself to reports that a so-called Cuban GI bill was being considered. At that time, I publicly stated my opposition before top echelon officials of executive agencies having jurisdiction of the Cuban refugee program. I told all that I felt that the present programs are more than adequate and that I am opposed to any new or additional benefits. I am grateful that no more has been heard of this proposition.

I again respectfully submit that Cuban exiles must be allocated to communities all over the United States and not concentrated in one already greatly overburdened area, and no further flow should come to the Miami area.

Mr. Speaker, I would like to spread on the record a letter which as recently as February 15 I directed to Mr. John Frederick Thomas, director of the Cuban refugee program:

I am quite concerned over the Cuban refugee program in my district. The residents of Dade County have been extremely patient and understanding of the problems of these refugees and have cooperated to the fullest. However, as I have emphasized many times before, Dade County has long ago reached the saturation point.

I have been deluged with mail from my constituents indicating their dissatisfaction with the rate of resettlement of these refugees—the latest official figures indicate a severe drop in resettlements—and their strong opposition to any additional benefits to the Cuban refugees. I am in full agreement with these views and I might add that I believe the present programs to be more than adequate and I am opposed to the establishment of broad new programs for any Cuban refugees. I fully support the previously granted authorization for qualified Cuban refugees to serve and be trained in the U.S. Armed Forces, but not to be granted any special benefits or privileges for this service.

I would respectfully request:

First. That if any additional Cuban refugees are to be permitted to enter the United States in the future, they be assigned to a port of entry and processed through a reception center other than Dade County or the State of Florida.

Second. That additional emphasis be placed on the resettlement program and that it be accelerated and implemented to the fullest degree.

Third. That I be notified at the earliest practicable moment if any new programs or broadening of present programs are being contemplated.

I respectfully go on record, Mr. Speaker, urging the immediate attention of the House to this most urgent request. The situation in the Miami area is dangerous and explosive. It is made for those who would deliberately attempt to set citizen against refugee—yes, even refugee against refugee—and to utilize the pentup emotions of American and Cuban alike to supply the fuel of the Communist propagandist.

I submit, Mr. Speaker, that now is the time for us to act on some conclusive solution for this problem which will relieve all possibilities of a further attempt to exploit the frustrations and stresses of residents of the Miami area. The need is not tomorrow, but right now.

It is imperative that action be taken to permanently alleviate the economic and psychological ills that have beset the long-suffering Miami community. We must expeditiously implement the humanitarian and intelligent programs which will relocate large numbers of Cuban exiles immediately—until such day as they can be returned to a free, democratic Cuba.

Mr. Speaker, I am pleased to advise that, partially in response to my letter to Mr. Thomas, a meeting was held yesterday between officials of the U.S. Department of Health, Education, and Welfare, and four national voluntary agencies which have major responsibility for carrying out the Cuban resettlement program. Dr. Ellen Winston, Commissioner of HEW's new Welfare Administration, told the group that the resettlement program has her full support and the full support of the Department and the Federal Government. She said:

> We want to secure the best possible resettlement of the refugees in the least possible time so that the fathers and mothers and children in Miami, who so urgently need new homes and new jobs, can begin new lives. In the case of the refugees, the path to independence and self-support can follow only one major route, resettlement.

Mr. Speaker, It is a source of deep satisfaction to me to note that the good work of the Department of Health, Education, and Welfare will be continued—that relocation is to be immediately accelerated and diligently pursued. This is one constructive step toward the ultimate solution.

---

## CUBA PLANES FIRE ON U.S. SHRIMP BOAT

Mr. FASCELL. Mr. Speaker, along with the rest of America, I was incensed to learn of the report that two Mig fighter planes apparently based in Cuba had fired rockets at Florida shrimp boats on the high seas.

The protection of Americans and the right of freedom of the high seas must be guaranteed by our Government.

Planes and vessels should be ordered to shoot to kill on any interference by hostile aircraft or vessels out of Communist Cuba.

Since this attack by Cuban fighters may be a preliminary probe, we should make clear by our immediate response that the United States will use whatever force is necessary or required to stop or prevent these attacks—or the likelihood of further attacks—even if it means pursuing the attackers to Cuban soil.

For many years under two administrations, I have urged repeatedly that the United States must take whatever action, military or economic, as necessary in its self-interest with regard to the problem of a Communist Government in Cuba. We need to take every collective action, economic or military, which needs to be taken.

The removal of the offensive weaponry by the Communists was certainly a significant turn of events for the free world and the United States. The recent announcement that several thousand troops will be withdrawn is certainly a step in the right direction.

But, Mr. Speaker, as our President has so wisely and properly said, the great danger enanating from Cuba is not whether there are 5,000 or 50,000 Russian

troops there, but the fact that it is used as a base for subversion. Our Government has pointed out to all Latin countries that the Communist Government of Cuba has declared war on Latin America; that every Latin government is in peril.

The point is clear, Mr. Speaker, that the great danger to the United States and to the Western Hemisphere is simply the existence of a Communist government in Cuba.

Our President has stated clearly that the existence of the Communist government in Cuba is incompatible with the inter-American system and that all of the U.S. policies shall be directed toward the eradication of communism in Cuba.

Mr. Speaker, the American people solidly support the President of the United States in any action which he may take.

It is evident to me and I have predicted many times over the years that the new arena for the world struggle would be in Latin America. It is obvious today that this prediction is more than borne out. There is obviously a full-scale hemispheric effort on the part of the Communists in Latin America. This has all been stimulated and will continue to be stimulated by the very existence of a Communist base of operation in Cuba. Therefore, this base must be exterminated.

Furthermore, Mr. Speaker, it is evident that the Communists' phase 2, use of the popular front in Latin America, has moved into phase 3, which is the use of violence and terrorism for the weakening and overthrow of democratic institutions in Latin America.

Under these circumstances, as I have repeatedly said, long-range programs designed to treat the economic and social ills of a people who are in an epochal revolution is desirable, but not sufficient. The United States and the Latin American Republics must have short-range programs to deal with the immediate threats to political stability.

In this regard, this administration has taken masterful steps long needed to meet this threat. We must continue to pursue these, and, in addition, engage in the greatest concentrated ideological offensive the United States has ever undertaken.

In other words, Mr. Speaker, not only must the Communist challenge be met head on at the military, economic and ideological level, but we must pursue those courses which will make national and international events follow an offensive pattern determined by the United States.

## UNITED NATIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, on February 18, 1963, I introduced a bill, a resolution (H.J. Res. 253), that will provide an avenue for U.S. citizens to express their endorsement of the United Nations not only by words but also in a very tangible and meaningful way.

My measure will permit American taxpayers to deduct from their individual income taxes any contributions to the United Nations and its specialized agencies such as UNESCO.

The measure will enable supporters of the U.N. to wish the organization well at a time when crucial financial and moral supports are needed. And it will provide Americans an opportunity to express the view, shared by President Kennedy, that it takes more than arms to keep the peace.

Too long, Mr. Speaker, have the supporters of the U.N. in this country been silent in the face of unreasonable criticisms directed against it by opponents whose views have been given unrepresentative prominence. Some of the critics of the U.N. have narrow, selfish economic interests. And it has been well publicized that a well-financed, lavish campaign against the U.N. on behalf of the so-called Katanga government has been operating in freewheeling style in the United States. And it appears that some of this criticism may be coming from organizations that enjoy tax-exempt status or claim to.

I do not have swollen expectations for the U.N., Mr. Speaker. I do not believe it is an infallible organization. But I insist that the U.N. has richly earned the support of the peoples of the world in its efforts to provide a forum for conciliation of international tensions and conflicts and to assist developing countries with their medical, education, and social problems. Our membership in the United Nations, beginning with the San Francisco Conference in 1945, has been endorsed by a broad range of bipartisan support from the leaders of our two great major political parties. I hope they will join with me in another move to reaffirm our support in an organization that is one of our best hopes for a just peace.

## EQUAL PAY FOR EQUAL WORK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, on February 18, 1963, I introduced a bill, H.R. 3861, to provide equal pay for equal work.

This bill is designed to remove a serious injustice to both men and women workers in our Nation. In my view, State equal pay laws have not proved effective.

It is shocking and unjust that with some 24.5 million full- and part-time women workers in our labor force, there should be discriminatory wage rates. These women neither work for "pin money" nor are they casual workers. They are workers in their own right. They are entitled to the same privileges and rights as male workers. These women support themselves or contribute in whole or substantially in part to the income of their families. I think it is high time that in all instances women workers are treated with full and equal employment rights. Studies have shown that a permissive situation in which employers are permitted to pay lower wages to women than to men for work demanding comparable skills leads to situations in which the wages of men themselves are depressed.

My bill represents policy of President Kennedy. It is an integral part of his legislative program. President Kennedy since his election has taken several steps to insure full and equal promotion and employment right without regard to race, creed, color, or sex. These actions are to be applauded. I look forward to a full measure of support from a majority of our Members of Congress for what in my view is legislative action long overdue.

## MOTOR VEHICLES EQUIPPED WITH SAFETY BELTS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. RYAN] may extend his 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. RYAN of Michigan. Mr. Speaker, today I introduced a measure which would require all motor vehicles sold or shipped in commerce to be equipped with safety belts and to meet other safety standards.

This bill would make it illegal to manufacture for sale in interstate commerce any vehicle which is not equipped with seat belts in accordance with the standards prescribed by the Secretary of Commerce.

I wish to point out that the 1962 traffic death toll was at an alltime high of 41,000 deaths. The road traffic injury toll also rose to a new high during the past year.

Thousands of lives are lost each year because passengers in motor vehicles are thrown against windshields or out of car doors by the impact of crashes. The chances of being killed by the second crash are five times greater if you are thrown from the vehicle.

I also wish to point out the fact that research into auto crash injury cases has shown that seat belts help protect automobile passengers in both major and minor accidents. In collisions, seat belts help keep passengers from being ejected, thus reducing the force of impact of the body on any part of the vehicle's interior.

Seat belts will someday become standard equipment on all new automobiles under the provisions of my bill, but at the present time, however, every driver should make himself aware of the danger to which he and his family are exposed each time the family car is used.

Safety in driving is most important and if you ask yourself what would happen if your car stopped suddenly and you kept going from momentum—you

would agree that the safety know-how of today gives us a new chance for life—if we heed the warning in time.

Each of us should extend every human effort to protect ourselves, our families, and our community. None of us is immune to traffic accidents. We must take full advantage of every safety device that will stem this unnecessary carnage of human lives.

## WATER RESOURCES LIBRARIES

Mr. STEED. 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. STEED. Mr. Speaker, the problem of providing ample water for the rapidly rising needs of our Nation is one that requires our constant attention and planning. Especially is this true of the next few decades when population increase and mechanization will have such a heavy impact on our needs.

In its December issue the Monthly Reporter of the National Rivers and Harbors Congress advanced a valuable suggestion in behalf of making available supervisory services to local water resources libraries. Properly implemented, this idea can provide a substantial contribution to knowledge in a field vital to all our people.

A GOOD IDEA

We are gratified to learn that the trustees of the Bureau of Water Resources of the National Rivers and Harbors Congress have under consideration a plan proposed to them under which the trustees would afford supervisory services to local water resources libraries. It is said that in more than one of our cities tentative plans are being discussed for the establishment of either independent reference libraries devoted to the scientific and technological literature of water and related data, or the creation within existing public libraries of a special room devoted to the same purposes. In one case such a library is being discussed as a memorial to a citizen of the community whose efforts during his lifetime contributed very largely to advancements in the use, conservation and development of water resources.

The need for such local centers of reference and learning with respect to water has been growing at an accelerated rate. Water is the one basic material problem of the race. Without water of sufficient purity there can be no food and no life. Wherever man has failed to solve this problem he has perished. There are today vast areas of our planet which bear witness to this fact. The population of the world is fast approaching the point where sufficient available water cannot be had merely for the taking.

Fortunately the role of this compound in organic nature is cyclic. Life merely borrows water from the world's supply for structural and operational purposes. Water borrowed for structure begins to be returned by the protoplasm and the tissues on the advent of death. Water for operations is returned ordinarily in a matter of days or hours.

Except for the humanly inconsequential amount of water vapor constantly wasted into outer space, there is today substantially as much water in the world in either solid, liquid or vapor phase, as there was before living forms developed. The problem is not basically one of supply, but is one of management, recovery and distribution. All of these require vastly more knowledge and informed application than we are capable of bringing to bear today. Unless we achieve this capability we may well begin to "starve in the midst of plenty."

Water, blood and milk are the three liquids with which man has been most familiar since his prototypes achieved consciousness. But awareness of water came before awareness of the others. All have been the objects of untold centuries of observation and study. But today there remain elements of the composition and behavior of each which are either unknown or not understood. This aside from the potential uses of water yet to be invented.

It is certain that optimum management and use of water can only be achieved by a great deal of further study and research and by the wide dissemination of the knowledge heretofore and hereafter gained. Local libraries or divisions of libraries devoted to this field of learning and technology can be a powerful stimulant to the increasingly necessary activity which must be developed if we are to reach a timely solution to our water problems.

## DISASTER INVITED BY SO MUCH NONESSENTIAL SPENDING

The SPEAKER pro tempore (Mr. ROGERS of Colorado). Under previous order of the House, the gentleman from Texas [Mr. FISHER] is recognized for 30 minutes.

Mr. FISHER. Mr. Speaker, Federal spending has jumped from $76.5 billion in 1960 to the highest budget in the history of this or any other country—$98.8 billion for the next fiscal year, beginning next July.

This has given rise to grave concern for the value of the dollar at home, and respect for it abroad.

This colossal budget is proposed despite the current $8.8 billion estimated deficit and a predicted deficit for the next fiscal year, $11.9 billion; and it was $6.4 billion the preceding year. And although during the preceding 8 years the budget was balanced during 2 fiscal years there was a net deficit of $17 billion accumulated during that period.

Yet, despite this fantastic rise in spending the Congress is being asked to reduce taxes to the tune of an average of about $10 billion a year. This loss in revenue would be added to the staggering deficits each year, with no attempt to reduce nonessential spending. That presents a frightening picture. To me it does not make sense.

There is, admittedly, need for tax reform and revision. I have urged that for years. But any reduction, to be sound and meaningful, must be tailored to place emphasis upon cuts in those brackets that will encourage capital investments, expansions of business, and the employment of more people. It is in that area of taxation that the roadblocks to economic progress is found. Yet the tax plan now before the Congress would do very little if anything for people and corporations in those brackets. Is it any wonder that businessmen everywhere are opposing the bill?

NONDEFENSE SPENDING CAUSING DEFICITS

We are told that this fantastically high spending rate has resulted from the increased cost of national defense. The facts do not bear that out. After all, the projected expenditures for national defense for fiscal year 1964, which begins in July, are only 10 percent above the 1953 level; whereas during that same period of time nondefense spending has skyrocketed nearly 85 percent. Federal aid to State and local governments during the past 10 years, for example, has been quadrupled—from $2.7 to $10.4 billion.

The distinguished chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], recently stated:

> We have demonstrated time and again that it is the ever-rising nondefense items that have unbalanced the budget in the last 10 years.

The 1964 budget proposes to spend $43.4 billion for other things than national defense. This figure is $2 billion above 1961. And it is $22.8 billion—or 111 percent above fiscal 1954, a year after the Korean conflict.

The fact is that some highly desirable defense expenditures are being curtailed because of budgetary considerations. The increase in the costs for national defense makes it even more imperative that we reduce nondefense spending. Let us maintain the proper perspective.

Mr. Speaker, in my opinion if we do not face up to this trend, cut expenses, and turn thumbs down on new proposals that initiate new annual nondefense outlays, we are moving in the direction of inevitable disaster. You simply cannot have your cake and eat it too.

INFLATION

Along with this trend toward increased deficits is the specter of inflation, because it is agreed that deficit spending is a prime cause of inflation. This strikes its heaviest blow at people with fixed incomes, those who can least afford it. It cuts deeply into annuities, savings and pensions, and hits hard at the low-income group. And it affects the entire economy. That is attested by the fact that the dollar has lost 55 percent of its purchasing power in the past 23 years—during this period of big budgets and deficit financing. And this trend continues. For example, in October of 1960 the dollar was valued at 46.7 cents; last year it was 45.7 cents.

IMBALANCE OF INTERNATIONAL PAYMENTS

Overshadowing this mismanagement of our fiscal policies is the grave danger that it poses for our precarious balance of international payments, and the possible erosion of world confidence in the value of the dollar.

This imbalance is caused by more American dollars being spent abroad than find their way back home. Foreign spending is in the form of foreign aid, military expenditures, investments, shopping by American tourists, or otherwise.

The dollar is the world's key currency. It is highly respected in the money markets of the world because it is redeemable in gold. There was a time not so long ago when we owned $24 billion—or about 75 percent—of the world's gold. That reserve has now dwindled to only $15.9 billion, all but $4 billion of which

is committed to the backing of our own currency here at home.

Today foreigners hold some $19.5 billion worth of short-term claims against us, which theoretically can be presented for payment in gold. The only logical explanation for failure of these claimants to demand the gold for the dollars they hold is their faith and confidence in the value of those dollars.

It goes without saying that the best way to maintain and bolster that confidence is to achieve a balanced budget and keep our financial house in order. Conversely, the best way for us to bring about an erosion of that confidence is to continue to pursue fiscal policies that are obviously ill conceived and unsound.

Under Secretary for Monetary Affairs Robert V. Roosa put his finger on the issue recently when he said:

> Unless we have our accounts in balance—that is, unless we have as much or more money coming into the United States as we send overseas—we cannot maintain the value of the dollar.

There are several steps we can take to reverse the outflow of gold trend. Take oil, for example. Imports of crude oil and oil products increased from 255,000 barrels daily in 1946 to 991,000 per day in 1956. Then, from 1956 to 1961, imports jumped to 1,245,000 barrels daily, despite voluntary controls imposed in 1957 and the mandatory controls put on in 1959. The ratio of these imports to U.S. crude production rose from 5.4 percent in 1946 to 13.9 percent in 1956, and rose to 17.3 percent in 1961.

This oil is paid for in dollars. Purchase of the vast amount of oil accounts for a substantial amount of our outflow of dollars. The payment deficit could be cut in half by an oil import policy which prevented foreign oil from enjoying a disproportionate share of our domestic market.

That step, manifestly fair and defensible in foreign trade, coupled with a substantial cut in foreign aid, can immediately reverse the dangerous imbalance situation that now obtains.

EXAMPLES OF NONESSENTIAL SPENDING

Now, Mr. Speaker, let us examine for a moment some of the nonessential spending measures that have brought this unfortunate condition about. Nearly every new spending proposal has its appeal. It attracts certain voters. It creates new Federal jobs. I fear there is an inclination on the part of many to reason: "I know this is not really essential; it is something we can postpone or get along without, or let the States continue to do; but we are already so badly in debt that this one will make very little difference."

We often hear it said: "If we spend money on foreign aid, we should be willing to do as much for our own people." But that is defeatism at its worst. That is a dangerous policy to follow. Each measure, each project, should stand on its own and be considered on its own merits, without regard to whether some other expenditure is good or bad. If foreign aid is bad, then eliminate or reduce it; if a new welfare project is bad, then it is our job to reduce or defeat it. That is the only responsible way to legislate, and we all know it. Two wrongs do not make one right.

What are some of these nondefense projects that create deficits and push the national debt higher and higher? Here are a few:

SALARY INCREASES COST $1.6 BILLION ANNUALLY

Last year we followed the line of least resistance and voted a 14-percent increase in Government salaries. At the beginning of 1961 the total Federal payroll amounted to $13.8 billion; now it is $15.4 billion a year—a rise of $1.6 billion, or 12 percent, in 2 years. That amount is added to the deficit each year—from now on. There were political overtones in that rise, and it was not easy to vote against it. But I was one of those who did vote against it. At this rate of increased spending the first thing we know the beneficiaries of this increase will feel the pinch of more inflation, and the dollars they spend will not buy as much.

Some 200,000 new Federal employees have been added to the payroll during the past 2 years, to help service the many new but often high-sounding projects the Congress has approved. The President has asked for 36,500 new employees in the current budget.

PEACE CORPS

Two years ago we were asked to expand foreign aid with a brandnew program—the Peace Corps. It was glamorous and it sounded good. And there was a lot to be said for it. The easy thing to do was to vote for it, as most of the Members did. But it was admittedly a duplication of the point 4 program—a program that at the time had 3,500 trained technicians overseas doing precisely the same kind of work that the Peace Corps was designed to do. The Peace Corps now costs us more than $50 million a year, and there is a nationwide drive to increase this facet of foreign aid. I was one who declined to approve this duplication of governmental services.

OUTLAYS FOR AGRICULTURE

For years the Congress has been extremely generous in providing subsidies for a variety of agricultural products. In those instances where this policy leads to surpluses, the program should be reexamined. American farmers are calling for less regimentation, more freedom, and less government interference in their operations. And the Congress should take note of that.

JOB RETRAINING

Under tremendous pressure the manpower retraining program, estimated to cost $400 million, was rammed through Congress. Another welfare program, we were told it was needed to help solve the unemployment problem. But according to newspaper reports it has been quite a flop. Again, I was one of those who foresaw the folly of this new venture, and I voted against it. It invaded an area of local responsibility and set in motion an increase in bureaucracy and an annual increase in deficit spending.

FOOD FOR FAMILIES OF UNEMPLOYED

Two years ago the Congress approved a bill to channel surplus foods, and other food to be purchased, to the families of the unemployed, costing more than $200 million annually. This opened up a Pandora Box, encouraged unemployment, and has caused a multitude of cases involving corruption and fraud in the administration of the law.

This project had a strong humanitarian appeal. But it was the wrong approach, as has been demonstrated. If the hungry are deserving and need help, then let the local welfare agencies do that job. It is essentially a local responsibility, and should be kept that way. If Federal surpluses are to be used, then let it be done through local welfare agencies, under strict and careful supervision to avoid the built-in abuses inherent in all handout projects. We must remember that there are many people who simply will not work and will not exert themselves to seek work if they can go to the welfare office and get food. That is why it should be kept a local responsibility, where it can be policed by local people who know what they are doing. That is another one I voted against.

PUBLIC WORKS ACCELERATION

Still another welfare measure that was pushed through the Congress was the depressed areas bill, supplemented last year by the billion dollar emergency public works acceleration measure. It smacks of depression-day treatment of our ills, applied in this time of near full employment. This legislation opened the floodgates for a vast variety of new ways to spend Federal money, with a wide discretion accorded those who administer the program as to what areas are eligible, for what purposes, and in what amounts. To be sure, it serves some useful purposes. But it inevitably involves the Federal Government in activities that can and should be dealt with by the States and local communities. Once begun, this sort of thing always mushrooms, adding more and more to our annual deficits.

LIBERAL HOUSING LAWS

The Congress has been overgenerous with housing legislation. The old time-tested FHA mortgage loan program was sound. It created revolving funds that helped millions of Americans to finance the purchase of homes. But the planners were not content with that. They came up with special programs to apply to the elderly, the middle income, and other groups. Before that it was thought the FHA program applied to all alike. New liberal financing programs, completely unnecessary, were voted. Downpayments in many instances were practically eliminated. Mortgage defaults have soared 430 percent in the last 5 years, and by the end of last September FHA had on hand 36,338 unsold foreclosed homes. And that number is on the increase. In addition to the defaults, there were 43,168 other homeowners who were delinquent in payments. It was anticipated that about 40 percent of them eventually would be foreclosed.

If private industry operated its business like the Federal Government does, not many mortgage companies would survive. FHA foreclosures are estimated to be three times greater than those of conventional mortgages.

Under the whiplash of political pressures the Congress has already spent $5 billion on public housing. This program which was originally designed to take care of welfare cases and families displaced by slum clearance and urban renewal projects, soon got out of hand. If it was good for them, many with higher incomes wanted to get in on it. Firemen and policemen and others with comparable incomes moved into many public housing projects. Their rentals were not much more than half of what they would have been charged if the same projects were privately owned.

The current budget calls for increased spending for housing, with no proposal for correction of the many mistakes that have been revealed.

FOREIGN AID

We have spent $90 billion in foreign aid, and the President has recommended $3.7 billion for the next fiscal year. That does not include the Peace Corps and the billion-dollar Alliance for Progress program. In the name of foreign aid we have poured billions down ratholes all over the world, and what do we have to show for it? We have not been able to buy friendships with foreign aid. Many of the chief recipients have spurned us on crucial votes at the United Nations where there was a clash between the free world and the Communist bloc.

If we are to dish out foreign aid, we should limit it to those countries where the expenditure contributes directly to our own security, and then only where the recipients are willing to stand up and be counted on our side when the chips are down. I have voted against foreign aid bills for years because every one of them contained too many items which in my judgment could not be justified.

After all, as of a year ago the U.S. public debt exceeded that of all other countries of the world by $24 billion.

DEPRESSION'S CCC REVIVED

On top of all this, and notwithstanding the size of the debt and the mounting deficits, we are faced this year with a multitude of new welfare programs. A special White House message to the Congress calls for a revival of the old Civilian Conservation Corps—now called Youth Conservation Corps. It is estimated that this project, when it gets rolling, will cost up to $300 million a year—depending upon how much the planners want to spend.

The Washington Evening Star, commenting upon this proposal, stated:

> For that indeterminate number of youths really looking for a better chance, there has to be a better way than going back to the dark days of WPA and CCC.

In fact, the press recently reported that the President has a 22-member task force, headed by David Hackett, a special assistant to the Attorney General, working on plans to create new projects such as this. Donovan McClure, a public information officer of the Foreign Peace Corps, is on loan to that task force. The group is reported to be drafting legislation for a domestic Peace Corps, which, if enacted, would add other thousands to the Federal payroll and increase the deficit to that extent.

In addition, another welfare program now being advanced by the planners is one that would channel employees into so-called community service establishments—such as hospitals, playgrounds, welfare agencies and migrant farmworker camps. It is proposed to limit enrollees to 50,000 the first year.

TRANSIT AND EDUCATION

Another expensive project now in the works would channel hundreds of millions of Federal dollars into metropolitan areas to help them solve their commuter transit problems. Stated another way, certain cities want all the taxpayers of America to chip in and help them improve their local transportation systems.

A mammoth Federal aid to education program, a package deal, with a price tag that has been put at $5.3 billion, is before the Congress. Education is essentially the responsibility of local people, and it should be kept that way. Federal aid begets Federal control, and we might as well face it. The dire predictions of many in the past, with respect to shortage of classrooms, have proven to be completely unfounded. If the eager-beaver planners, who want to expand Federal control even into the local schools, will be patient and bide their time, the American people will find ways and means to finance their own local school programs without help from Washington.

MEDICARE

The President is sponsoring a medicare program that would cost an additional $2.5 billion. And that would be just the beginning. This revolutionary proposal is advanced in the face of the fact that the Congress only 3 years ago enacted the Kerr-Mills Act, to provide medical and hospital care for needy and deserving elderly people in this country. And it is being offered despite the fact that 74 percent of our citizens have adopted some form of private health insurance.

We have no need and no place for political medicine in our society. Let us not copy after the socialist system undertaken in Britain and elsewhere. Let us do it the American way—within the framework of free enterprise, with the Government helping in those instances of actual need. We already have that kind of a program, but the social planners do not want to even give it a chance to prove its adequacy to meet the problem.

FEDERAL SPENDING WILL NOT SUFFICE

Many of the welfare projects that have been offered are said to be necessary in order to reduce the present 5.8 percent of unemployed in our labor force. There are 60,700,000 Americans gainfully employed today. The energy of our private economy has made that possible. We know from experience that Federal spending will not cure unemployment. I believe in the principle that we simply cannot spend ourselves into prosperity by way of the Federal budget. If the environment is not conducive to an increase in private spending, then an increase in Federal spending, even a large increase, is well nigh an exercise in futility.

Actually, the rate of unemployment is not alarming. We must remember that many people simply do not want to work, perhaps drawing unemployment benefits. There are others idled by strikes. Others are temporarily out of work while changing jobs. There are many students, just out of school, who are looking around for an advantageous offer. Many sins are committed in the name of the unemployed.

Moreover, few seem to recognize the fact—and it is a fact—that maladjustment of wage rates is a major cause of unemployment. If a businessman seeks too much for his goods he loses his market. By the same token, if wages are pushed too high by labor-union monopoly action, unemployment will follow. It is a part of the inexorable law of supply and demand. That does not mean that all wages are too high. But it does mean that in those industries where wages are forced upward excessively by artificial pressures, a certain amount of unemployment is a natural result.

By placing unions under the antitrust laws, and by taking other appropriate steps in that area, we should break this vicious cycle wherein wage maladjustments cause unemployment. By proceeding in that way we would be treating the disease that contributes to unemployment—not just the symptoms.

It is one thing for workers to strike, but quite another for them to prevent men who desire to work from working. Have we not reached the time in this enlightenend country when there is enough labor statesmanship to recognize that unions should be purely voluntary and made to conform with all the laws that have been enacted against monopolies that are in restraint of trade? The time is overdue.

MILITARY PAY RAISE FOLLOWS PATTERN

A military pay raise, totaling $1.7 billion annually, has been proposed by the President. This follows the pattern of increases voted last year for civilian employees. There is much to be said for this proposal, or at least for some necessary adjustments. But the time to have held the line was last year when the precedent was established. Out of deference to the public debt and the deficit, then was the time to have established a go-slow formula for this type of increased Federal spending.

MORE FOR MENTAL HEALTH

We are being asked this year to spend vast amounts on a new mental health program—involving the Federal Government in a program that has always been treated as essentially a local responsibility. The States, private foundations, and the medical profession, have done very well in this area in the past, and if we are to do more at this level it should be to expand and encourage the system that has done well and should be continued.

"OWE AS WE GO"

Mr. Speaker, the old adage of "pay as you go" is today being replaced by an "owe as you go" philosophy. I could go on at length calling attention to these various nonessential programs, all of which cost money. It would seem that

we have enough to do to finance the domestic programs, such as those dealing with soil and water conservation, flood control, river and harbor improvements, and others that, within proper limitations, are generally accepted as sound and justified. But in recent years we are deluged with an avalanche of new and expanded programs, most of which admittedly invade the province of local responsibility. Something good can be said for every one of them—except that they cost money we do not have and they should not be treated as Federal responsibilities.

THE CONSERVATIVE WAY

Conservatism has today become more and more a policy of conserving the Nation's fiscal soundness. The so-called liberals are becoming synonymous with free spending and higher deficits. The very ones who talk the loudest today about the need for tax reduction and the least about the need for retrenchment in Federal spending are the same ones who have consistently supported the vast array of nonessential spending projects that have gotten us into this financial jam.

Two years ago, and again early this year, the conservatives in the House waged a fight against the packing of the Rules Committee—a move designed to place a majority of liberals on that screening committee and thereby facilitate the advancement of the very bills I have discussed. That packing maneuver was successful. During debate on that issue it was argued that sponsors of that move must accept a measure of responsibility for what happens as a result of that action.

It is the conviction of many of us that in the functioning of the democratic processes there is a need for cooling off periods, for brakes to be applied, and thereby enable the House and the country to become better informed concerning the implications of many of these proposals before they are rushed pell-mell through the Congress.

In lieu of the "owe as we go" policy, would it not be refreshing and constructive if a task force were appointed—not to conjure up new schemes for unnecessary projects involving large outlays of money, but to study ways and means of reducing spending, of turning back to the States and local communities more of the responsibilities that really belong to them? Even though novel, that move would be progress—constructive progress—and it would be welcomed by the hard-pressed American taxpayers who are anxious to see this country move forward.

This tendency to rush Federal money to every trouble spot that arises in the Nation bespeaks a basic lack of faith in the American system. It might amaze some of our planners to know how well our American communities can get along and manage to solve their own problems without being wet-nursed and coddled by the Great White Father in Washington.

We all know that many of these programs are politically inspired. But have we not reached that point when we cannot afford the luxury of deciding such issues on a political or partisan basis? Both political parties should take note of this.

Mr. Speaker, I shall conclude these remarks by quoting from Thomas Jefferson, who once said:

> I am for government that is rigorously frugal and simple, and not for one that multiplies offices to make partisans, get votes and by every device increases the public debt under the guise of being a public benefit.

---

## THE SOFTWOOD LUMBER INDUSTRY

The SPEAKER pro tempore. Under previous order to the House, the gentleman from California [Mr. JOHNSON] is recognized for 60 minutes.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on this subject.

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

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, a historic decision was rendered on February 14 by the U.S. Tariff Commission in the case brought before it last fall by the softwood lumber industry. I say "a historic decision" for two reasons. First, because this is the largest case ever considered by the Tariff Commission in terms of dollars involved in an industry and employees concerned, and second, because this decision was the first rendered by the Tariff Commission under the Trade Expansion Act of 1962.

I am sure that most of my colleagues are aware of the conclusion reached by the Tariff Commission in this case—certainly those who have significant forested communities in their districts are. The Tariff Commission ruled that although Canadian lumber imports have risen significantly and the domestic lumber industry is suffering greatly thereby, the increased imports cannot be directly related to a prior tariff concession, which is required in the 1962 Trade Expansion Act.

Mr. Speaker, it is not my purpose today to raise a question with regard to the wisdom of the language that we approved last year in the Trade Expansion Act.

However, I am concerned that the same standard for judging the softwood lumber industry's case will be applied to employees who are displaced because of increased imports. They are going to be told, in effect, that the increased imports are not the direct result of a prior tariff concession and therefore, while they may be suffering, the law prohibits any relief.

The Tariff Commission stated, and I quote:

> The Commission observes further that while international commitments may deter Congress from legislating in conflict therewith, these commitments do not prevent Congress from so legislating. Congress may, if it so elects, legislate in conflict with any international commitments.

I consider this an invitation from the Tariff Commission to the Congress of the United States to assume the responsibility for correcting the conditions under which the U.S. lumber industry is forced to operate.

A number of specific suggestions have been made by Members of Congress and by the lumber industry which would have the effect of meeting the problem of increased softwood lumber imports from Canada. And I think it is important here to point out that we are not talking about increased imports that are based upon traditional free market advantages of the Canadians, but rather, advantages offered by specific Canadian Government actions that constitute what has been described as a subsidy for Canadian lumber producers. I think it is not fair for the Congress of the United States, or for this Government, to expect U.S. lumbermen to compete in U.S. markets with lumber from Canada which enjoys the advantages given Canadian producers. I feel it is incumbent upon us to deal forthrightly with the issue and to move swiftly to counteract these artificial advantages enjoyed by the Canadians.

The Tariff Commission decision offered a golden opportunity to Congress to take action in an area with which some Members of Congress had been reluctant to deal—that of requiring that all lumber imported into the United States bear a mark identifying the country of origin. As far as I know, lumber is the only product imported into the United States which does not have to be so stamped. The Tariff Commission reached three important conclusions with regard to the 1938 agreement with Canada which exempted Canadian lumber from marking requirements; it stated:

> The withdrawal of the country-of-origin marking requirement cannot be regarded as a trade-agreement concession within the meaning of section 301(b) of the Trade Expansion Act.

Secondly, it stated:

> Currently, country-of-origin marking would involve little expense in addition to that already incurred in complying with the grade-marking requirements instituted in 1960 by the Federal Housing Administration.

And lastly it stated:

> It is clear that its restoration (that is, the restoration of the requirement for country-of-origin marking) in recent years would not likely have contributed to a reduction in the level of imports of softwood lumber. On the basis of evidence obtained by the Commission, its restoration might well have had a contrary effect.

Mr. Speaker, the lumber industry has urged that the Congress enact a law requiring that imported lumber be identified as to country of origin. The industry feels that the American consum-

er public should have an opportunity to select lumber based upon whether or not it is produced domestically. The Tariff Commission has said that the withdrawal of the present exemption would not constitute a violation of a trade agreement concession. It further indicated that there would be very little cost involved for the Canadians, and further, that such a marking might even benefit the Canadians. Frankly, I am quite prepared to take the advice of the lumber producers in my district who believe that such a marking requirement would be beneficial to them. Therefore, I invite the support of my colleagues for a bill which I shall introduce, and which has been introduced in the past by other Members, that will require all imported lumber to be marked with the country of origin. I see no legitimate reason for objection to this legislation, and I would hope that it might be brought up for immediate consideration by the House as an act of good faith in support of our domestic lumber industry.

Mr. Speaker, while I am on the subject of the marking of lumber I would invite the attention of my colleagues to another proposal which has been offered as a method of assisting the domestic lumber industry. It is in a way a corollary to a bill, H.R. 2628, introduced by Chairman Rains of the Housing Subcommittee to require the use of domestic lumber in all FHA-insured housing. The proposal to which I refer would require the FHA to insist that domestically grade marked lumber and wood products be used in the construction of all FHA-insured housing.

It may come as quite a surprise to my colleagues to learn that the FHA currently approves a number of Canadian lumber grading agencies. It is also true that a number of U.S. grading agencies sell their grade stamps to Canadian lumber producers for use in grade marking lumber which eventually winds up in FHA housing. Yet, there seems to be no practicable way—at least which is apparent to me—for the use of these grade stamps in Canada to be policed by the FHA. Consequently, the proposal that has been put forward and which deserves some very careful consideration by the Congress would require that lumber imported from Canada which is intended for use in FHA housing be grade marked within the United States, where there is an opportunity for policing by the FHA to insure that the lumber approved by these grading agencies is in fact on grade. It seems to me that we may be operating currently under a double standard to permit Canadian lumber to have access to the FHA market on a different basis than that which is available to our domestic producers.

Mr. Speaker, one more point I would like to make, before yielding to my colleagues who share my concern over this Canadian import situation, is the fact that U.S. tariffs on softwood lumber have been reduced to 1.3 percent of the average value of the imported lumber. This low level of tariff has been established by three tariff cuts, the first in 1936, 1938, and 1948.

There are many competitive advantages enjoyed by the Canadian softwood producers—some by Government action on the part of the United States and others by Government action on the part of Canada. For whatever reason these actions were taken, they have worked to the severe detriment of the American softwood lumber industry. The price of lumber imported from Canada is now so low as a consequence of competitive and governmental advantages, that many American producers are unable to compete and have been forced to curtail production or to close their doors.

It is my belief that some appropriate action should be taken to protect one of America's basic manufacturing industries. The most direct way to accomplish this is by the implementation of a quota on the import of Canadian softwood lumber. The Canadian Government has seen fit to impose a tariff averaging 10 percent upon American softwood lumber being exported to Canada. It is only equitable that the United States should take some similarly appropriate action to protect its domestic industry.

I propose the imposition of a quota of 6 percent based on the average quarterly domestic softwood consumption in the United States during the calendar years 1960, 1961 and 1962.

This quota would allow the basic minimum protection needed by the domestic softwood lumber industry. It is urgent that this or similar action be taken at the earliest possible time to prevent any further damage to the lumber industry.

Mr. Speaker, I want once more to emphasize my desire to have our great country enjoy the best of relations with our neighbors to the north. However, I cannot bring myself to believe that it is necessary to sacrifice America's fourth largest industry in terms of employment on the altar of so-called international good will. If it is our country's intention to subsidize the economy of Canada, by all means let us do it as a Nation, forthrightly, openly, and worthily. However, let us not expect one industry to do that job for us, or the employees in an industry to give up their only means of livelihood in order that it be accomplished.

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

Mr. JOHNSON of California. I yield to the gentleman.

Mr. HORAN. Mr. Speaker, I want to thank my colleague, the gentleman from California for taking this time and for making a very clear statement and a factual one. I happen to have been a student of this present sitution and I know that what he has told us has not been overstated. It is a fact that the various differentials, the wage scales for one, and the depreciation of the Canadian dollar for another, and various other advantages that the producers in our neighboring country of Canada have, have imposed a tremendous effect and, indeed, a blighting effect upon our softwood lumber industry in the United States. This is not a problem that yields itself to an immediate cure and we must do something about it. Just to sit here and talk about it is no good. So this afternoon we hope to bring out at least some tangible and practical ideas that may lead to a correction of this situation. While we, as a group, are proposing here a 6 percent quota, actually, and I think the gentleman will agree with me, I think it is pretty liberal in terms of the history of the importation of Canadian lumber. We think it is liberal and since they have counteracting restrictions on the importation of our own lumber, I do not think that what we are proposing here is a cause for war or anything, but it is a matter of bringing peace in our relations with our neighbor to the north and to help to eliminate unemployment and the fear of bankruptcy of our own softwood lumber industry. So again, Mr. Speaker, I wish to commend my colleague, the gentleman from California for what he has just told us.

Mr. Speaker, the American lumber industry today is faced with declining employment, gradual deterioration through idling of its facilities, and a declining profit rate. The reasons for this economic instability are numerous and complex, but perhaps the major factor is the importation of Canadian lumber into our country.

The problem simply stated, is that for every board foot of imported lumber which crosses our border from Canada, an American producer will produce and sell one less board foot in our country's own lumber market. Since last year, both the President and the Congress have indicated that they are aware of the serious import problems confronting the American lumber industry and its employees. However, little has been done to solve the problems.

If we are to review efforts on the part of the Government to resolve the lumber import problem during the past year, we find that the chief remedy prescribed by the executive branch has been exhortation. For the past year, the lumber industry has appealed to the Government for help in solving the problems created by the inequitable import situation. More importantly, it has made practical recommendations and offered sound solutions both to the Congress and to the executive agencies. Many of us have met with representatives of the lumber industry on numerous occasions and have also discussed the matter with lumber producers in our home districts. Last year lumber officials appealed for relief under the provisions of section 22 of the Agricultural Adjustment Act, but the Department of Justice has informally advised lumber officials that they do not look with favor upon this plea.

The President has displayed great concern with the lumber situation, and at his request, the lumber industry has just completed the escape clause route before the Tariff Commission. In spite of the President's expressed concern, and in the face of the facts and figures presented to the Commission by the industry during public hearings on the matter, the Tariff Commission just recently sent to the President a report that would deny our lumbermen necessary and needed import relief.

Last year, softwood imports from Canada totaled 4 billion board feet.

Now, after numerous published statements by various Federal departments that they are doing this and that to alleviate the problems caused by Canadian imports, a look at the record shows that the imports have increased to 4½ billion board feet. What a sheer waste of effort this is.

Another unexpected and most tragic event occurred last fall which has compounded the problems of the lumber industry. The devastating windstorm which hit the Pacific Northwest last Columbus Day resulted in the downing of an estimated 11.6 billion board feet of marketable timber. Unless it is the intention—and I know that it is not—of the American people and their Government to leave this timber for the enjoyment of insects, or worse still, to allow it to become a greater forest fire hazard, it will be necessary to market this timber during the next 3 years.

It is felt that the presence of this timber on the U.S. market will result in a still further substantial decline in the market price for lumber. It is reasoned that for each 500,000 board feet of lumber per year that were not originally scheduled to find their way into the market, there is an estimated decline of at least $1 per thousand board feet in the overall price of lumber. It is estimated that 2 million board feet per year of the downed timber—not originally expected to be marketed—will now have to be placed on the market for the next 3 years. Thus, applying the prospective dollar per thousand board feet formula to this situation, it is possible that a price decline totaling as much as $4 per thousand board feet on the market is in prospect for America's economy.

And this would lead to further problems with our federally owned timber. The Bureau of Land Management and the U.S. Forest Service appraise their timber on the basis of fair market value. A decline, therefore, in the market value of lumber directly affects the value of the timber managed by these agencies. In the last few years, receipts of the Bureau of Land Management and the Forest Service from the sale of timber have declined by approximately 30 percent. The practice whereby the Canadian lumber industry cuts the market price of the lumber which it sells in this country has resulted in a depressed price for U.S. lumber. This price-cutting action of the Canadians has not only adversely affected the private lumber industry, but it has also reduced by almost one-third Government receipts from timber sales. In effect, it would appear that the American people have been placed in the position of subsidizing Canadian lumber producers.

Mr. Speaker, as I have stated, the problems confronting the lumber industry have not been solved, nor will they be solved by mere words of encouragement and patent promises. It is now imperative that the Congress take immediate action designed to solve these problems.

Last year I introduced a resolution which called on the President first to enter into immediate negotiations with Canada in an effort to resolve the lumber problems between the two countries, and second, to impose a temporary 10-percent import quota on Canadian lumber. I was happy to note that President Kennedy, in his statement of last July 26 on the problems of the domestic lumber industry, listed as the first point in his program, "the initiation of negotiations with Canada concerning the amount of softwood lumber imported into the United States." I do regret that the President failed to take any action relating to the establishment of an import quota.

In view of these circumstances, we have no other choice than to effect an immediate quota on imports of softwood lumber, particularly those emanating from Canada. The resolution I am introducing today proposes to do just this. Our country's lumber producers and employees of the lumber industry will not be granted any special or extra advantage by this legislation. Rather, it is designed to grant to our American lumber workers and producers an opportunity to sell their products competitively in their own domestic market. It is my sincere hope that other members of Congress will join me in sponsoring this bill, and that Congress in its wisdom will approve this resolution.

I would also like to have included in the RECORD a copy of a petition which I received recently, which is signed by the majority of the citizens of Ione, Wash. This is an example of the type of requests relating to the lumber problem which I have been receiving from my constituents.

The SPEAKER pro tempore (Mr. ROGERS of Colorado). Without objection, it is so ordered.

There was no objection.

The petition referred to above is as follows:

PETITION TO THE HONORABLE PRESIDENT OF THE UNITED STATES OF AMERICA AND TO THE HONORABLE SENATE AND HOUSE OF REPRESENTATIVES OF THE UNITED STATES IN CONGRESS ASSEMBLED

We, the residents of the town of Ione, Wash., and vicinity do respectfully represent that—

Whereas lumber imports from Canada are increasing yearly at an alarming rate and now constitute about one-sixth of the annual consumption of lumber in the United States; and

Whereas there is a need to increase the cut from overmature forests to prevent excessive loss from decay, disease, and other causes; and

Whereas a serious blowdown of timber occurred in Washington, Oregon, and California in October of 1962 and salvage of said blowdown timber will place a further burden on the orderly marketing of lumber from other domestic areas; and

Whereas there is no shortage of timber for the production of lumber and related items in the United States; and

Whereas U.S. lumber manufacturing firms pay the highest wages and provide working conditions equal to or better than similar firms in other countries; and

Whereas lumber manufacturing firms in the United States are losing their home markets to foreign firms, especially those in Canada, due to advantages such as: (1) Depreciated currency; (2) low stumpage rates; (3) noncompetitive bidding; (4) less costly and restrictive forest practices; (5) lower wage rates; (6) high tariff rates on U.S. lumber shipped to Canada; (7) low charter rates for coastwise and intercoastal shipping; and (8) a cooperative government; and

Whereas unemployment in the lumber industry of the United States is increasing with resultant loss of wages to the workers, loss of taxes and income to taxing bodies and communities: Now, therefore

We respectfully petition the President of the United States of America and the Congress to give immediate attention to and request action necessary to place the lumber industry of the United States on an equitable and competitive basis with foreign manufacturers through the use of a quota system or other means, including the requirements that imported lumber be marked to show the country of origin, to the end that domestic manufacturers are not placed at a disadvantage with resultant loss of markets, reduction of employment, loss of taxes, and deterioration of communities.

Mr. JOHNSON of California. I thank my colleague from Washington [Mr. HORAN]. His remarks are quite pertinent and point up a very serious condition in the softwood lumber industry of the United States.

Mr. HORAN. I thank the gentleman from California.

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

Mr. JOHNSON of California. I yield to the gentleman.

Mr. WHITE. Mr. Speaker, I want to compliment the gentleman from California [Mr. JOHNSON] for taking this time on such a very important subject, and I also want to thank him for the opportunity to participate in this discussion.

Mr. Speaker, last Thursday, the Tariff Commission made public its decision that trade concessions granted to Canada were not a major factor in causing the serious injury now experienced by the softwood lumber industry. The same day I expressed my gratitude to the Tariff Commission for acknowledging the enormity of this injury, and for indicating the necessity for Government action. I did not question the Commission's interpretation of the Trade Expansion Act, even though it was the first decision under the new law.

However, on behalf of the many lumber producers in my congressional district, who have been, and are being forced out of this vital industry by the increased importation of lumber from Canada, I did express my dissent to some of the reasoning of the Tariff Commission. One of the reasons which the Commission assumed so unjustifiably was that Canadian lumber is of higher quality than our domestic product. Rather than dwell on this erroneous assumption, I will simply cite a conflicting statement from another Government agency, the Forest Service, which appears in the CONGRESSIONAL RECORD, volume 108, part 6, pages 7289–7290 thereof. The Forest Service in this rather dubious comparison of United States and Canadian stumpage pricing policies, stated that one reason for the higher price of stumpage in the United States is the higher quality of our lumber. I believe both statements are in error. Why should a tree in a similar forest on the Canadian side of the border be any better or worse than one on our side?

The Tariff Commission used this reasoning to shift the burden of this problem from trade concessions to another area. The Forest Service had its self-protecting purposes in finding some explanation, other than its pricing policies, for the stumpage cost differential.

In fact, this tendency of the government departments to shift the responsibility for the disastrous condition of the softwood lumber industry has become more and more apparent to me in my studies of this problem. The State Department tells me that labeling lumber according to country of origin would be a violation of our international trade obligations, while the Tariff Commission states that suspension of the Labeling Act in Canada's favor is not a trade concession. The Interstate Commerce Commission says our freight rates are identical to Canada's, but the Department of Commerce says that railroad free holding privileges in Canada are important factors in the cost-price squeeze experience by our lumbermen. The Department of the Treasury acknowledges the fact that tax policies should take into account the depressed condition of the lumber industry, but announces capital gains tax changes that would further penalize the lumber businesses.

An hour after the Tariff Commission released its report of last Thursday, I expressed my conviction that a more cooperative spirit should exist between the lumber industry and our Government. Today, I would like to suggest the possibility of invoking one more administrative remedy before taking the legislative course of action. This remedy, provided in section 303 of the Tariff Act of 1930, is our countervailing duties statute. Perhaps I have been unfair in castigating our Government's attitude toward this problem. Possibly the origin of the lumber industry's ills is in the Canadian Government's attitude toward its lumber producers. I ask this question. Is the Canadian Government subsidizing its softwood lumber industry? If it is, the provisions of our countervailing duties statute, title 19, section 1303 of the U.S. Code, should be invoked. If the Secretary of the Treasury finds that in fact the Canadian Government subsidizes its exports of softwoods, our tariffs on Canadian lumber imports should be raised to the amount of such subsidy. The U.S. commitments under the General Agreement on Tariffs and Trade would not be violated, rather, we would be acting fully within the spirit of that treaty.

Permit me to quote Chief Justice Gordon Sloan, as Canadian Commissioner, in his report entitled "Forest Resources of British Columbia":

> We live by our exports. We must sell on world markets in order to survive. Our forest policies must in consequence be geared to the stark necessity of assisting our industries in every reasonable way to remain competitive in these markets.

In the light of this statement, is it not a good possibility that Canadian stumpage prices of less than one-third of U.S. stumpage prices can be termed a "bounty or grant" to the Canadian lumber industry? Are not the liberal log-scaling policies of the Canadian Government, amounting to 15 percent greater overrun footage than our Forest Service allows, and the lax road building and slash disposal requirements, as well as the negotiated sales practices of the Canadian Government, part of this policy to assist our industries in every way?

Mr. Speaker, I submit that these practices of the Canadian Government are at least indirect grants or bounties to the Canadian lumber industry. I ask that the Secretary of the Treasury consider this question sympathetically and soon. In the meantime, let us support Mr. HORAN's resolution, so that we will be prepared to act, should this final administrative remedy prove as disappointing as the earlier ones.

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

Mr. JOHNSON of California. I yield to the gentleman from Washington.

Mr. WESTLAND. Mr. Speaker, I want to associate myself with the remarks of the gentleman from California [Mr. JOHNSON]. He and I have participated many times in conferences on this subject in an effort to try to solve this problem.

I read the report, the decision, of the Tariff Commission, and I frankly was amazed to find from that report that while the Tariff Commission agreed that there was serious damage to the softwood lumber industry because of excessive imports, there was nothing they could do about it under the phraseology of the so-called Trade Expansion Act that was passed last year. Frankly, I am delighted that I voted against it. If this is any way of expanding trade I will have to take another look at it. Actually, it is ruining our lumber industry.

The gentleman from California in the well of the House [Mr. JOHNSON] joined with others in making some recommendations. One of these recommendations I know was carried out and there were some conversations with the Canadians, but I think if the effort to solve this problem is going to result in a series of conferences with the Canadians, then we are not going to get quick results. These things can go on for years while the people who are working in the softwood lumber industry are no longer working. Those of us who are interested in this problem want to find a solution for it. The gentleman from California and the gentleman from Alabama [Mr. RAINS] have introduced bills, as I have, providing that FHA-insured housing shall use American lumber.

This seems to be a reasonable request. We are introducing today legislation that would call for a 6 percent cloak. The gentleman from California has asked that the imported lumber be marked, showing the country of origin. That is certainly a reasonable request.

I have introduced a bill which would amend the Jones Act so that the lumber industry, which is rapidly being destroyed, may use foreign bottoms, to carry the lumber from the Pacific Northwest or Pacific coast points to the east coast at the same rates that the Canadians are getting today. Today there is a difference of some $10 to $12 a thousand, which has eliminated us from that market.

One piece of legislation already passed permits the lumber industry to ship to Puerto Rico in foreign bottoms. The result was that immediately business was obtained by the lumber industry in that area.

That is what we are trying to do. We as Congressmen cannot do anything about the depreciated Canadian dollar, the 92.5-cent dollar; we cannot do anything about their appraisal methods; we cannot do anything about the wages that are paid up there. There are, however, areas in which we can be of assistance to the fourth largest industry in the United States.

I hope the Congress will act on this measure, on this problem. The President has indicated his interest in it, and I hope that the Congress will follow through on these recommendations.

Mr. JOHNSON of California. I want to thank the gentleman from Washington for his very informative remarks. He has very well pointed up this problem, and has pointed up most of the problems that concern us today.

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

Mr. JOHNSON of California. I yield to the gentleman from Minnesota.

Mr. LANGEN. Mr. Speaker, I thank the gentleman for yielding to me. I should like to compliment the gentleman in the well of the House, as well as the other speakers here this afternoon, for having pointed out to the House and to the Nation another instance in which a major industry in this Nation is being threatened by imports.

I have had occasion previously many times to have raised the question of imports in other segments of our industry, particularly in the field of agricultural products. In my own district and State lumber is not a major item, but it is an important one. It is an industry which serves our country and Government in a significant manner. For instance, one Indian reservation has been substantially affected by the degree to which Canadian imports have increased in the last few years, thereby depriving them of a market, making it difficult for them to exist. There should be another requirement by the Congress or the Government to provide some kind of assistance for them.

I have noted with interest that section 22 of the Agricultural Act might be made applicable to lumber as well as other agricultural products. With this I agree. I want to add, however, that were this to become a reality, I would hope that section 22 might be used more effectively as it would apply to lumber than it has been used when applied to other agricultural products. We have had some crops where the problem has been substantially aggravated, yet section 22 of the Agricultural Act has not been used effectively, as it should have been.

So with all this I agree. I recognize the full potentiality of the proposals that the gentleman in the well has submitted to the Congress today.

I would hope that they do receive favorable action and that they receive the type of consideration which this industry deserves.

Mr. Speaker, I am afraid that unless we do recognize the problem that exists here, what is going to happen is the same thing that has happened in so many other areas: someone is going to come along and propose another subsidy program that we are going to have to put into effect in order to save another industry.

Mr. Speaker, we have had experience with this type of approach on the agricultural scene. I hope it does not have to be applied also to the lumber industry.

Mr. Speaker, again I thank the gentleman from California [Mr. JOHNSON] for yielding, and wish to compliment him for his efforts here this afternoon on behalf of this industry.

Mr. JOHNSON of California. I thank the gentleman from Minnesota.

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

Mr. JOHNSON of California. Yes, I yield to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Speaker, I thank the gentleman from California for yielding. I am happy to join with other Members of Congress, including my colleagues from the State of Washington, in introducing a joint resolution requesting and authorizing the President to impose an immediate 6 percent emergency quota on all imports of softwood lumber.

In this connection, I certainly regret that the Tariff Commission has not seen fit to recognize the distressed conditions and the critical circumstances imposed on the lumber industry by these foreign imports. I also regret the failure of the President to initiate some form of emergency relief through Executive action.

However, Mr. Speaker, it may be that the Members of Congress themselves have been derelict in this connection. Frankly, I have always felt that the legislative branch of Government, and this body especially, had prime responsibility in all matters affecting the Nation's tariffs and the regulation of international commerce. That is what the Constitution provides. The Congress was charged with this responsibility under the Constitution.

It is always easy to take the course of least resistance, and it certainly would appear with lumber that this is precisely what the Congress has done. Consequently, I hope my colleagues will recognize and face up to their responsibility in this instance by expediting favorable action on this very important resolution to curb the dumping of foreign lumber on the American market.

Mr. JOHNSON of California. I thank the gentleman from Washington.

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

Mr. JOHNSON of California. I yield to the gentleman from Washington.

Mr. TOLLEFSON. Mr. Speaker, may I join with my colleagues in complimenting the gentleman from California for obtaining this special order and bringing to the attention of the House of Representatives a problem of some magnitude and considerable importance to the Pacific Coast lumber producers.

Mr. Speaker, the gentleman has made it clear that there is a problem, and in this respect I think I am safe in saying that he has been joined by the President himself. So we are not talking about a problem which we only think is a problem, but the President considers it a problem also. This was made evident when last year, after many Members of Congress and several departments of Government had given consideration to the matter, the President called to the White House a large number of west coast Members of Congress and recommended a number of steps that might be taken by the Congress or the departments of Government in order to obtain relief in this situation and to suggest solutions to the problem.

Now, the President would not have done that had he not been firmly convinced that there was a problem.

Mr. Speaker, I would like to ask the gentleman from California [Mr. JOHNSON] a question: To what extent, if any, have the departments and agencies of Government implemented the President's recommendations? It is my understanding that many of the recommendations are still pending. That is why I ask the question.

Mr. JOHNSON of California. Yes, they are still pending. There has been some improvement in some of the recommendations that were made at that time. I do believe the allowable cut has been improved and progress has been made in the timber inventory and there was the program of access roads. There is still progress to be made on the contracts provision and the fields procedures. There is still consideration to be given to the import of lumber from Canada. So, I do believe that on most of the recommendations that were considered at that meeting at the White House, there has been some progress made, and I feel in many sectors very good progress and a great deal of progress.

Mr. TOLLEFSON. If the gentleman will yield further, my purpose in asking the question was not to imply any criticism. I simply wanted the record to show that not only the President and the Members of Congress from the west coast, but the departments and agencies themselves, understand that there is a problem here.

I would like the record to show that one of the reasons for the existence of the problem is the Government itself; and I am not talking politically now at all. But we have on our law books a law known as the Jones Act which provides that no foreign-flag ship may carry cargoes between American ports. In other words, a foreign-flag ship cannot pick up a cargo of lumber in California and carry it around to the east coast. The purpose of the law was good. I have supported that law quite generally. The objective of it was to maintain an adequate American merchant marine to serve both in time of peace and war. We had found out during World War I and again in World War II the absolute importance of having an adequate American merchant marine. This was recognized by the highest spokesmen in the Department of Defense who have appeared before our committee and before others, and who have called the American merchant marine the fourth arm of defense.

We felt it was a matter of congressional policy, that we absolutely needed an adequate American merchant marine to stand us in stead when an emergency arose. It was that philosophy that gave rise to the Jones Act. But the fact that we passed the Jones Act created in large measure the problem that confronts us now. What I am saying is that the Government in large measure has created this problem and the Government ought to come forward with some solution to it.

In addition to the suggestions that the gentleman has made—and I was one of those who introduced some of the bills which have been mentioned—I am going to introduce another bill for the consideration of the Congress that has to do with this subject of subsidy. I know that subsidies are abhorrent to most Members of Congress and I think rightfully so, when it comes to the matter of simply saving an industry. But when you have a subsidy in connection with our national defense, for instance, if our Government takes the position which it has taken that we must have cargo and passenger ships, especially cargo ships, to carry our men and materials of war, either private industry must build those ships or the Government itself must do so, as the Government does in some instances. If we had no construction subsidy program, private industry would not be building a single ship and we would not have any American merchant marine as such. The Federal Government would have to pay the total cost of building the ships. As it is now they pay up to about 50 percent.

I am going to suggest for the consideration of the House, in light of what I have said, that there be a construction subsidy made available to the coastwise and intercoastal American-flag vessels in the same manner as contruction subsidies are made available to those of our vessels which are engaged in the international trade. I do not think it is asking for too much. If we do not do that it seems to me that our coastwise and intercoastal ships will go out of business. This has been the case since the enactment of the Jones Act. Instead of doing the job as well as Congress had anticipated, the coastwise and intercoastal trade is going downhill and eventually will disappear. So I say if we want to support our own philosophy then we had better give consideration to providing the coastwise and intercoastal ship operators the same privileges that are given to the international flag operators. I mention it just to get it into the RECORD at this point.

Again, Mr. Speaker, let me compliment the gentleman from California for bringing to the attention of the House a problem which is most serious to those of us on the Pacific coast and speaking selfishly, of course, to those of us who are up in the Northwest.

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentlewoman from Washington.

Mrs. MAY. Mr. Speaker, I join my colleagues from the State of Washington in commending the gentleman from California for taking this time to give the many ramifications and implications of this very serious problem facing our lumber industry.

I think the gentleman knows that I am a member of the House Committee on Agriculture. We have recently been considering legislation to relieve the cotton industry by subsidy because it is now in serious trouble because the Tariff Commission has failed to act.

I have just come from my home State of Washington, where I have met with representatives of the livestock industry who are worried about what the imports of wool, mutton, and lamb are doing to them. We have the same concern, as the gentleman from Minnesota [Mr. LANGEN] pointed out, in connection with many other agricultural commodities.

I think the gentleman, and those of us who joined with him in introducing these several pieces of legislation, which propose constructive solutions for our lumber industry problems are really leading the way for our colleagues who represent areas also being hurt for the same reasons we in the lumber industry States are being hurt, the failure of the Tariff Commission to act on our behalf.

Mr. Speaker, for the past year and a half, many of us from lumber-producing congressional districts have been concerned over the fact that Canadian softwood lumber has been imported into this country in sufficient quantities to cause hardship on our own producers. It is significant, I think, when 17 percent of our total domestic consumption of softwood lumber is Canadian. In our own country—and particularly mills in my section of the country are closing and putting people out of work because the market that was formerly available to them is now being taken over more and more by the Canadians.

This situation has been brought to the attention of the administration many times through letters from Members of Congress, through telephone calls to heads of agencies and departments of Government, and through personal visitations to the President of the United States. The President has been fully apprised of the facts. It is now past the time to act.

At the suggestion of the administration, the industry filed an application with the U.S. Tariff Commission for relief under the Trade Agreements Act. The Tariff Commission issued its report February 14 and acknowledged the validity of the major portion of the industry's claim for relief, but refused to grant relief by referring to the requirements of the 1962 act which requires that the petitioner must prove injury resulting in major part from trade agreement concessions.

It would appear to me that under the present law, the Tariff Commission has virtually ceased to exist as an effective agency to which any suffering domestic industry or its employees can turn for relief. In my opinion, I doubt very seriously whether any domestic industry or employee group will ever be able to prove that a major part of its suffering at a given time can be directly attributed to trade agreement concessions. I believe that the Trade Expansion Act of 1962 must be amended. The softwood lumber industry finding is a precedent for any domestic industry seeking relief. I understand that the lumber industry expended many tens of thousands of dollars and countless man-hours in preparing their material for the presentation of their case before the Tariff Commission. The finding was predetermined by law and their effort resulted in useless spinning of wheels.

I am proposing by the introduction today of several bills, methods by which we must act, legislatively, to assist the industry. We cannot let this important economic force go down because of the new trade bill. The bill is apparently ineffective to help an industry and we must now amend the bill. One of the bills that I propose to introduce today would amend section 22 of the Agricultural Adjustment Act so that the Secretary of Agriculture can include lumber and wood products as an agricultural commodity under the act. This would enable the lumber industry to get protection from competition from foreign imports.

Last year the lumber industry asked assistance in helping them get relief under section 22 of the Agricultural Marketing Act. The Secretary of Agriculture, through its Solicitor, ruled in fact, that lumber, or rather, trees, are an agricultural commodity. I understand that the Attorney General is to come out with a ruling in the very near future repealing the Agriculture Department's opinion and denying that trees are an agricultural commodity. This will necessitate prompt action on my bill.

It seems unfortunate to me that the industry should have to go the route of legislation when this could be done in the Department, if the Secretary of Agriculture so desired.

The second of these bills is the House joint resolution which so many of my colleagues have introduced today. This joint resolution requests the President to impose an immediate temporary quota of 6 percent on the importation of softwood lumber from Canada for a period of 3 years. This emergency quota would be determined on the basis of 6 percent of the average quarterly domestic softwood consumption in the United States during the calendar years 1960, 1961, and 1962.

The third legislative proposal I have introduced today would amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin.

Canadian lumber now enjoys an exemption from the marking provision of U.S. tariff laws.

The fourth resolution I have introduced proposes that the National Housing Act be amended to prohibit the use of lumber which is not of domestic U.S. manufacture in any construction or rehabilitation covered by Federal Housing Administration programs.

It is gratifying, Mr. Chairman, that Members of Congress from lumber producing States are joining today in support of measures designed to alleviate the serious impact of import competition which has been mounting over the past decade. The lumber industry is the fourth largest industry in the United States. The Congress, the administration, and the American people can ill afford to do less than we propose today.

Mr. JOHNSON of California. I thank the gentlewoman from Washington for her very fine remarks with regard to this problem.

Mr. OLSEN of Montana. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Montana.

Mr. OLSEN of Montana. Mr. Speaker, I wish to commend the gentleman from California on the address he has made here in the House and the action he has taken with respect to the lumber industry. I wish to state at this time that I subscribe to the statements made by the gentleman from California and the action here begun.

Mr. JOHNSON of California. I thank the gentleman.

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

Mr. JOHNSON of California. I yield to the gentleman.

Mr. DUNCAN. Mr. Speaker, I appreciate the remarks of various Members on the floor of the House today. I think it should be encouraging to those who earn their living from the lumber industry to know that their elected representatives are seriously concerned about the economic well-being of the basic industry of the Northwest and one of the biggest industries in the United States. I share that concern and intend to support governmental action to help the lumber industry in those areas of activity in which our Government should properly act; to equalize unfair competition which other governments have given to their industry. But this is a complex question and there are no easy answers. I think in defense of this administration, it should be said that the administration is aware of this problem and has moved to help by increasing the allowable cut in an effort to reduce the price of stumpage, by increasing appropriations for roads to take part of that burden off the lumber industry and by supporting a modification of the Jones Act, a bill which was passed in the last session, which has resulted already in shipments of Northwest lumber to the Puerto Rican market. In addition, conversations have taken place with Canada—not productive yet but with the election out of the way in Canada soon, perhaps, more progress can be made.

I should like to say I think the gentleman from Idaho [Mr. WHITE] made a constructive suggestion for additional action by the Secretary of the Treasury which can be taken without additional legislation and which is worthy of full exploration.

I happen to be one who hopes industry can stand on its own feet. I happen to believe that prosperity lies in expanded and greater trade and freedom of trade rather than in restrictions. I believe there is a great opportunity here for the lumber industry to move concurrently with the Government to meet competition with competition as the lumber industry has always done, is doing, and will continue to do.

I urge them to do this. And in the meantime, I pledge what help I am able to give in those proper areas of governmental support.

Mr. Speaker, I include an editorial from the February 17, 1963, issue of a very fine newspaper published in my congressional district, the Eugene Register-Guard. The opinions in this editorial are almost identical to those I just expressed. I am gratified that this influential paper has chosen to take such a sensible stand. I hope that the industry itself will adopt and promote this point of view, and that the Federal Government will continue to do whatever it can to assist the industry in meeting the Canadian competition.

The editorial follows:

TO MAKE THE MOST OF A BAD SITUATION

With United States-Canadian relations already strained, it comes as no surprise that the Tariff Commission has turned down ideas that imports of Canadian softwood lumber be artificially restricted.

Even were Washington and Ottawa getting along better, it would be difficult to justify either tariff boosts or import quotas on lumber entering this country from Canada. The United States, as the world's great champion of less restricted international trade, would be hard pressed to explain why Canadian lumber imports should be curbed at the same time U.S. representatives are beginning a momentous battle to breach trade barriers in the European Common Market area, and elsewhere.

The economic interest of the Pacific Northwest and other U.S. lumber-producing regions would be served if Canadian lumber imports were cut back. But the national interest would suffer.

Accordingly, representatives of the U.S. lumber industry should now quit chasing rainbows which have no pots of gold at the end of them. Instead, they should concentrate efforts upon attainable objectives of realistic benefit to their industry. Coastal mills which ship by water routes could be further benefited by additional amendments to or complete repeal of the Jones Act which, in effect, forces U.S. lumber producers to help subsidize this Nation's merchant marine. Some inland mills, particularly smaller ones, might be assisted by renewed efforts to restore delay-in-transit privileges they formerly had when making rail adjustments of their wares. A case, at least, can be made for restoration of these privileges—on the basis that they continue to be enjoyed by shippers of many other commodities and industrial products.

And, of course, there remain a number of lumber industry complaints to be argued further in regard to U.S. Forest Service marketing policies and procedures. One example: In view of the multipurpose public forests *management* principle, it is reasonable to think that purchasers of public timber should be assisted with more public funds when they build access roads which, at the Government's insistence, must be suitable for recreation travel as well as log trucking.

The Tariff Commission opined that the main reason for the marketing disadvantage at which U.S. lumbermen find themselves is the relatively high cost of stumpage in this country. This situation may be improved, temporarily, as Federal agencies hasten the marketing of tremendous amounts of Pacific Northwest timber felled in last October's hurricane. But it is long-range solutions which the lumber industry needs for stability. And, in spite of all efforts to find such solutions, it remains probable that U.S. mills will be plagued by Canadian competition throughout the foreseeable future. More mills in this country may be forced out of business; more U.S. lumber industry capital may be shifted into British Columbia where cheap logs are abundant.

Wherever it is being unjustly hampered by Government policies, this country's lumber industry has good reason to complain and to fight for better treatment. In addition to this, however, the industry—and communities dependent upon it—must recognize that increased manufacturing and marketing efficiency offers the best hope that Canadian competition can be met. The salvation of the U.S. lumber industry, as presently constituted, depends largely upon offsetting, and not upon attempts to nullify, advantages which inherently belong to Canada.

Mr. JOHNSON of California. I thank the gentleman from Oregon for his very fine remarks.

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

Mr. JOHNSON of California. I yield to the gentleman from Washington.

Mr. STINSON. Mr. Speaker, I would like to join my colleagues in thanking the distinguished gentleman from California for bringing this problem to the attention of the Congress. I think it is a problem that many of us realize has existed for a long time and it is a problem which is going to require some immediate action on our part if this very valuable industry is to be saved. I think we have to recognize that an unequal situation exists in the tariffs between the imports of Canada into the United States and the exports from the United States into Canada. I certainly want to thank the gentleman for bringing this problem to the attention of the Congress.

Mr. JOHNSON of California. I thank the gentleman from Washington.

industry has always done, is doing, and

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. BERRY. Mr. Speaker, I do not necessarily despair over the present plight of our domestic softwood lumber industry. I know the breed of men who earn their livelihood from the woods, and they are a pretty rugged group. Given half a chance, they are going to regain their economic health, and provide for our Nation the continuing resources so essential to our modern economy.

However, I do despair at times when I witness the obstacle course over which an enlightened group of American citizens must move in order to get appropriate recognition of their grievances from Government. Most of the Members of the House will recall that our Government first reacted to the request of the domestic lumber industry for relief from softwood lumber imports by recommending a study. An intergovernmental committee was established by the Departments of State, Commerce, Agriculture, and Interior last spring to make recommendations for action. As far as I can determine, that committee met once, and then folded. There followed an excellent investigation by the Senate Commerce Committee into the problems of the lumber industry that included field hearings at which hundreds of affected communities had an opportunity to express their viewpoints. For one reason or another, no major legislation of assistance to the lumber industry came out of those hearings.

The next hurdle was that of the U.S. Tariff Commission. It was not enough that a domestic industry had to, on very short notice, prepare its material for the Tariff Commission under section 7 of the old act—the Congress changed the rules under which the case was to be heard right in the middle of the hearings before the Tariff Commission. The consequences of our act are evident from the report of the Tariff Commission.

We put into the Trade Agreement Act of 1962 a requirement that an injury sustained by a domestic industry from increased imports must be related in major part of a prior tariff concession. Based upon my reading of the Tariff Commission report in the softwood lumber industry case, it is my own opinion that no domestic industry will ever be able to obtain relief unless we change the ground rules.

A number of proposals have been made by Members of Congress and by the lumber industry itself which offer practical means for the domestic lumber industry to achieve parity with the assisted lumber industry in Canada. There are, however, some opportunities for assistance that do not require legislation that might be encouraged by Members of Congress.

For instance, the Department of Commerce, which, incidentally, has been, probably, of greater assistance to the domestic lumber industry than any other agency in the executive branch, is seeking to expand its overseas marketing studies. Although I have not seen the details of the program, I understand that the Department of Commerce has in mind what we might call a door-opening program. They would invite persons employed in an industry to travel in foreign countries for the purpose of developing new markets. These individuals would remain on the payroll of their employers, but would receive assistance in terms of contacts and travel. I think this program could be of immeasurable assistance to our domestic softwood lumber industry in its quest for new markets abroad.

I am told that the lumber industry, through its several organizations, is uniting to expand its overseas markets—particularly in the Common Market nations. Another phase of the Commerce Department's program which can be of real assistance to domestic industry, and particularly to the lumber industry, is its program to hire directly from the job-producing industries of America some

top talent to help guide the programs of Government as they relate to those industries. I applaud this kind of thinking because it has long been my view that our Government does not take full advantage of the knowledge available to it in the private sector of our economy. I am hopeful that, within the limits of prudence, we can encourage the activities of the Department of Commerce—particularly those industry divisions within the Business and Defense Services Administration.

Mr. Speaker, I would like my colleagues to know that I will work with any of them on any sensible program that will improve employment opportunities and the economic health of the forested communities in these United States.

Mrs. MAY. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. NYGAARD] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mr. NYGAARD. Mr. Speaker, I want to join my colleagues in introducing a House joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber.

While my State of North Dakota does not produce the vast amount of this type of lumber that others do, we do produce some to a lesser degree, and I am interested in seeing all the softwood lumber producers in the Nation protected at this time.

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

Mr. JOHNSON of California. I yield to the gentleman.

Mr. NORBLAD. Mr. Speaker, I commend the gentleman on his remarks. I have introduced several bills on this subject. I think one of the particular importances is the amendment to the Jones Act, which amendment was agreed to in the last session of the Congress, to allow shipments of American lumber in foreign bottoms to Puerto Rico. This amendment has proved its worth in that a large cargo of lumber in a foreign bottom was this week shipped from Coos Bay, Oreg., to Puerto Rico. I think my proposed legislation to allow shipment from Northwest ports to east coast ports in foreign bottoms would be of substantial benefit to our lumber industry.

Mr. JOHNSON of California. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington [Mrs. HANSEN] may extend her remarks at this point.

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

There was no objection.

Mrs. HANSEN. Mr. Speaker, I am extremely happy to join with my distinguished colleague from California today in presenting some of the problems of the lumber industry and in proposing some solutions. His district, like mine, is heavily dependent on lumber for the health of its economy.

The lumber industry in the United States is an important part of the economic and social well-being of millions of our citizens. It has played an important part in making our Nation strong. Over the years it has taken its place as a vital part of our economic strength.

But today the lumber industry is in trouble. Employment in sawmills and planing mills has decreased from a total of 492,000 in 1947 to 432,000 in 1949, to 473,000 in 1951, to 416,000 in 1954, to 393,000 in 1955, to 332,000 in 1957, to 309,000 in 1960.

The conclusion is obvious. Employment in sawmills and planing mills in the United States since 1947 has decreased by over 183,000 or by about 40 percent.

One of the principal reasons for this marked decline in employment in our domestic lumber industry is the importation of Canadian lumber. In 1954, according to a report of the U.S. Department of Commerce, imports of softwood lumber from Canada increased from 2,748 million board feet in 1954 to 3,941 million board feet in 1961. That is 13.7 percent of our domestic production and is now over 17 percent of domestic production.

We find in the Northwest and particularly in southwest Washington that decline in lumber employment is a major factor in an unemployment situation which is reaching serious proportions.

The lumber industry in the Northwest, last October 12, was dealt another heavy blow when a windstorm of hurricane proportions leveled more than 11 billion board feet of prime timber.

This timber must be harvested and this is likely to cause a further decline in the price of lumber and it probably will have the effect of causing substantial increases in unemployment.

To dramatize the economic effect of this 3.9-billion board feet of imports of Canadian lumber, let me point out that it takes around 22,000 loggers, sawmill, and planing millworkers 1 full year to turn out that volume of lumber. These men and women would earn in excess of $120 million in wages. This means that a total of around 22,000 workers are out of work in the United States as a result of Canadian imports.

Foresters who have analyzed the problem of the timber blowdown say that all this timber must be taken out of the forest within a period of two harvesting seasons. That means that there might be as much as 11-billion board feet of timber placed on the market. Certainly there is not any question that the impact upon lumber prices will be a serious one.

Technicians at the Department of Commerce have estimated that for every additional 1½ billion feet of lumber added to the supply in the market will bring about a $1.50 decrease in the price of the finished lumber. With the already disastrously low price of lumber forcing mills to curtail production or close altogether, this added burden can do little but inflict further serious damage to an already suffering industry.

If this steady increase in lumber imports from Canada continues, it is going to be extremely difficult to market this blow down and this great resource might be wasted.

In addition to the economic consequences of the decline in employment in our lumber industries, let me point out that social problems of considerable magnitude are being created.

Many of our communities are entirely dependent upon lumber for their survival. Many of these communities are rapidly assuming the status of ghost towns. Idle men and women, idle boys and girls, create what has been aptly described as "social dynamite."

Everything that we can do must be done to rescue our fellow citizens from social problems created by mass unemployment.

Last year resolutions were introduced which called for imposition of a quota on imports of Canadian lumber. These resolutions in general called for negotiations by which Canada would limit exports of lumber to the United States.

Negotiations were carried on for some time, but no solution was reached.

In view of the serious condition of the lumber industry in the United States and in view also of the effect of increasing imports of Canadian lumber on our domestic market and employment, I think it is necessary that the proposed House-Senate joint resolution be passed. For under its terms the President would be authorized immediately to impose a 6-percent emergency quota on all imports of softwood lumber.

I urge full support of this resolution.

Mr. CLAUSEN. Mr. Speaker, I take this opportunity to join my colleague from California [Mr. JOHNSON], and other Members of this honorable body, in amplifying some of their remarks regarding the deplorable lumber situation in my district in California and in the area of the Pacific Northwest generally. I want to associate myself with these remarks and compliment the gentlemen for the accuracy of their comments. Further, I should like to point out to other Members of Congress that appeals are made regarding the lumber industry problems on a fully bipartisan basis. It can be said that in this instance, we "walk down the aisle together" in an all-out effort to alert other Members as to the seriousness of the economic plight of our major industry. Three of the counties of my district, Del Norte, Humboldt and Mendocino, are consistently in the chronic unemployment or so-called depressed areas. The contribution of the lumber industry to their respective economies ranges from 50 to 70 percent. So when the lumber market is hit—the entire economy of these counties is sick.

Mr. Speaker, it is my intent to join Mr. JOHNSON of California, Mr. RAINS, Mr. WESTLAND and others concerned with the plight of the lumber industry—in introducing a bill to provide that FHA insured housing shall use American lumber. Much has been said about buy American. I can think of no better way to give the people of our great lumber industry a much needed shot in the arm than by recognizing their problems and

encouraging passage of the aforementioned type of legislation. I just returned from my district and some of the people there feel they are a pawn for the Trade Expansion Act. When we say buy American, let us practice what we preach.

The forest products industry is the Nation's fourth largest. Entire regions are dependent on the products of forest and rangelands. Our Government must understand that the national interest is not served if, in the management of Federal lands, the neglect of private forestry, or the conduct of foreign policy, local communities are bankrupted.

Mr. OLSEN of Montana. Mr. Speaker, on February 14, 1963, the Tariff Commission made its report to the President, concerning its investigation of the softwood lumber industry, under the Trade Expansion Act of 1962. The purpose of the investigation to which this report relates was to determine whether, as a result in major part of concessions granted under trade agreements softwood lumber is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like lumber.

This investigation was originally instituted on July 26, 1962, on the basis of an application by the Lumbermen's Economic Survival Committee, Seattle, Wash.

Since the decision by the Tariff Commission was announced, my office buzzer has been sounding like a leaky water faucet dripping on a hot stove.

In the Commission's report, it is recognized that softwood lumber "is being imported in increased quantities," within the meaning of the statute. In their investigation, the Commission interprets "being imported" as referring to the rate of importation during the most recent years. Whatever number of recent years is selected for this purpose, it is clear that the trend of imports of softwood lumber is upward. However, the Commission is here called upon to determine merely whether the trade agreement concessions are "in major part" the cause of the increased imports.

The imports of Canadian softwood lumber from Canada presently amount to 17 percent of the softwood market in the United States.

The advantages the Canadian producers have over domestic manufacturers, include a devalued currency, government-pegged lower stumpage rates, government-granted transportation advantages, a sizeable tariff differential, and positive government assistance in export development. The lumber industry of America has taken every administrative procedure, every legal procedure, and has patiently cooperated with the Government to assist in levitating its industry to overcome the disadvantages at which it finds itself, through no fault of its own. The lumber industry contributes greatly to the economic importance of our Nation. It is the fourth ranking employer of manufacturing labor. The industry's annual payroll is about $7 billion. It contributes approximately $27 billion overall to the gross national product.

Mr. Speaker, many Members of this House and the other body have proposed that all necessary steps be taken by the Federal Government and the industry to eliminate these inequities so as to provide equal opportunity for the sale of American lumber in the United States and its possessions, specifically:

First. That the industry give full support to the U.S. Government in any effort that is undertaken to increase the sale of American lumber in both export and domestic markets.

Second. That the Government establish a Federal transportation policy which will equalize costs on waterborne shipments of lumber between American and foreign vessels and which will eliminate the competitive advantages of foreign railroads and will encourage the efficiency of carriers.

Third. That the Government take appropriate action to prevent the manipulation of foreign exchange rates which has had the effect of providing a subsidy on lumber imports into the United States.

Fourth. That the Government immediately undertake negotiations to equalize tariffs on lumber imports and exports so that comparable opportunity exists for sales in competing nations.

The Tariff Commission stated, and I quote:

> The Commission observes further that while international commitments may deter Congress from legislation to conflict therewith, these commitments do not prevent Congress from so legislating. Congress may if it so elects, legislate in conflict with any international commitments.

The Tariff Commission thus offers the Congress of the United States a green light to assume the responsibilities for correcting this situation.

Specific suggestions have been made by Members of Congress and by the lumber industry which would have the effect of meeting the problem of increasing softwood lumber imports from Canada. As important as this situation is, we are not talking about increased imports that are based upon traditional free market advantages of the Canadians but, rather, advantages offered by specific Canadian Government actions that constitute what has been described as a subsidy for Canadian lumber producers. I think it unfair for the Congress of the United States, or for this Government, to expect the lumber industry of America to compete in U.S. markets with lumber from Canada which enjoys the advantages given Canadian producers. I feel it is incumbent upon us to deal forthrightly with the issue and to move swiftly to counteract these artificial advantages enjoyed by the Canadians.

Some Members of Congress are reluctant to deal with the area surrounding the Tariff Commission, particularly that of requiring that all lumber imported into the United States bear a mark identifying the country of origin. To my knowledge, lumber is the only product imported into the United States which does not have to be so stamped. The Tariff Commission reached three important conclusions with regard to the 1938 agreement with Canada which exempted Canadian lumber from marking requirements.

The Commission states:

> The trade agreement with Canada that came into effect in 1939 provided inter alia for the suspension of the requirement that imported lumber be marked to show country of origin * * * since that time, however, the use of modern equipment has greatly reduced the cost of marking individual pieces of lumber. Currently, country-of-origin marking would involve little expense in addition to that already incurred in complying with the grade-marking requirements instituted in 1960 by Federal Housing Administration. Further, that marking requirement cannot be regarded as a trade-agreement concession within the meaning of section 301(b) of the Trade Expansion Act.

Lastly that:

> It is clear that its restoration (that is, the restoration of the requirement for country of origin marking) in recent years would not likely have contributed to a reduction in the level of imports of softwood lumber. On the basis of evidence obtained by the Commission, its restoration might well have had a contrary effect.

Mr. Speaker, for some time the lumber industry has asked the Congress that a law be passed to require that imported lumber have the stamp of country-of-origin identification. Industry feels that the consumer public of the United States should have a choice of selecting domestic lumber. The Commission stated that the withdrawal of the present exemption would not constitute a violation of a trade agreement concession. It further stated that there would be very little cost involved for the Canadians, and further, such markings might even benefit the Canadians. I have introduced legislation, along with other colleagues, that would require all imported lumber to carry the country-of-origin identification. Any objection to this legislation would be unfair to decent business practice. I urge the Congress to institute such legislation as an act of good faith to the domestic lumber industry.

Mr. Speaker, I would like to invite the attention of my colleagues to another proposal which has been offered as a method of assisting the domestic lumber industry. Chairman RAINS, of the Housing Subcommittee, introduced H.R. 2628, a bill to require the use of domestic lumber in all FHA insured housing. This would require the Federal Housing Agency to insist that domestically grade-marked lumber and wood products be used in the construction of all FHA insured housing. Perhaps all of my colleagues might not be acquainted with the numerous disadvantages our lumber industry must cope with. It came as quite a surprise to me to learn that FHA currently approves a number of Canadian grading agencies. It is also true that a number of U.S. grading agencies sell their grade stamps to Canadian lumber producers for use in grade marking lumber which eventually winds up in FHA housing. Yet, there seems to be no practicable way—at least which is apparent to me—for the use of these grade stamps in Canada to be policed by the FHA. Consequently, the proposal that has been put forward and

which deserves some very careful consideration by the Congress would require that lumber imported from Canada which is intended for use in FHA housing be grade marked within the United States, where there is an opportunity for policing by the FHA to insure that the lumber approved by these grading agencies is in fact on grade. It seems to me that we may be operating currently under a double standard to permit Canadian lumber to have access to the FHA market on a different basis than that which is available to our domestic producers.

Through three tariff cuts, the first in 1936, one in 1938, and again in 1948, U.S. tariffs of softwood lumber have been reduced to 1.3 percent of the average value of the imported lumber.

There are many competitive advantages enjoyed by the Canadian softwood producers—some by Government action on the part of the United States and others by Government action on the part of Canada. For whatever reason these actions were taken, they have worked to the severe detriment of the American softwood lumber industry. The price of lumber imported from Canada is now so low as a consequence of competitive and governmental advantages, that many American producers are unable to compete and have been forced to curtail production or to close their doors.

It is my belief that some appropriate action should be taken to protect one of America's basic manufacturing industries. The most direct way to accomplish this is by the implementation of a quota on the import of Canadian softwood lumber. The Canadian Government has seen fit to impose a tariff averaging 10 percent upon American softwood lumber being exported to Canada. It is only equitable that the United States should take some similarly appropriate action to protect its domestic industry.

I propose the imposition of a quota of 6 percent based on the average quarterly domestic softwood consumption in the United States during the calendar years 1960, 1961, and 1962.

This quota would allow the basic minimum protection needed by the domestic softwood lumber industry. It is urgent that this or similar action be taken at the earliest possible time to prevent any further damage to the lumber industry.

Mr. Speaker, the United States depends upon trees. Few natural resources have contributed as much to our growth and prosperity as have the forests during the past 350 years. Over this period of time our citizens know it is good business to keep America green. Further, Mr. Speaker, I want to point out my desire to have America enjoy the best relations with our northern neighbor, Canada. However, I cannot bring myself to believe that it is necessary to sacrifice America's fourth largest industry in terms of employment on the altar of international relations. If this country is to subsidize the economy of Canada, let us do it as a nation forthrightly, openly, and worthily. However, let us not expect one industry to do that job for us, or the employees in an industry to give up their only means of livelihood in order that it be accomplished.

Mr. JOHNSON of California. Mr. Speaker, in closing I want to say this is a very important matter to the great State of California and to my own congressional district. We have great timber resources in the State of California. This great natural resource is being properly managed and we hope we will have an outlet for the end products because California happens to be the largest wood remanufacturing State in the Union. Therefore, this is of vital importance to the economy of our State and the entire Nation. I hope that the record that is being made here today will have effect in the consideration of this problem by the various governmental agencies and people concerned.

## A DEPARTMENT OF URBAN AFFAIRS

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 15 minutes.

Mr. RYAN of New York. Mr. Speaker, today I am introducing a bill to create a Department of Urban Affairs. I believe that nothing less than a Cabinet-level department is needed to cope with the mushrooming problems of our predominantly urban civilization.

My colleagues know that I have already spoken on this matter several times. During the 1st session of the 87th Congress I introduced H.R. 6065, which would have established an executive department to deal with urban affairs. In 1961 I also appeared before both the House and Senate Government Operations Committees to support the creation of such a department. When in the early days of 1962 the Rules Committee refused to report out a bill on this matter, I returned to the House Government Operations Committee to testify in favor of the President's Reorganization Plan No. 1, which would have elevated the Housing and Home Finance Agency to Cabinet status. In the debate preceding the final vote on the President's reorganization plan, I again urged this House to give our urban population a voice in the Cabinet.

If I return once more to call for the creation of a Department of Urban Affairs, it is because the crisis of our urban areas has only gained in intensity with the passage of time. I do not need to emphasize that our housing has steadily deteriorated, that the traffic congestion in our downtown business centers has become more paralyzing than ever, that open space is rapidly disappearing throughout whole urban regions, and that pollution of the air and water has continued despite the efforts of our local, State, and Federal governments to reverse the trend. These evils are too vast in scope and too complex in nature to be amenable to a single solution. I believe, however, that the development of truly effective solutions will require a coordination of effort not only among levels of government but within the Federal Government as well. A piecemeal approach to the problems of our urban regions is a luxury we can no longer afford.

Our ability to deal with the evils of urban blight and sprawl will be a crucial test of our form of government. At the turn of the century the United States was a predominantly agrarian society. Today two-thirds and more of the American people live in urban regions. Slightly more than one-third live in cities of over 50,000 people, and another 20 percent live in the fringes of such cities.—Congressional Quarterly, February 23, 1962, page 285.

There is every reason to believe that the trend from farm to city will continue. Thus it has been predicted that by 1970 25 million of our 30 million new citizens will settle in cities and suburban areas. It is not too much to say that in dealing with our cities we are dealing with our future.

The cities of the United States contain more than 75 percent of its wealth and productive capacity. They correspondingly provide the major source of both Federal and State taxes. The population of our 10 largest metropolitan areas alone pays over $13 billion in taxes, 35 percent of the total amount of individual income taxes. Yet State legislatures, dominated as they are by rural interests, persistently fail to grant adequate authority and appropriations to the cities. This situation requires some counterbalancing efforts at the Federal level. For cities are not merely centers of commerce, education, and cultural activities for their own inhabitants; their hospitals, libraries, museums, theaters, airports, and transportation terminals are used by all those who live in the surrounding areas. The well-being of the cities affects the quality of life in regions spilling over city, county, and State lines. The present physical squalor and social misery of so many cities is, therefore, rightly a matter of national concern.

I believe this neglect should be remedied by giving the city and suburban voter a spokesman in the President's Cabinet. Such a spokesman would not be an unwanted intruder. In both sessions of the last Congress the President made very clear in his desire to include the present head of the Housing and Home Finance Agency in Cabinet deliberations. The establishment of a Department of Urban Affairs would coordinate functions and programs which already exist. The HHFA now administers programs to preserve open space for public purposes and to improve mass transportation in metropolitan areas—programs that have nothing to do with housing and home finance but express implicit recognition of the role of the HHFA as an agency for urban affairs in general. Moreover, in fiscal 1962, the HHFA was made responsible for expenditures exceeding those of 4 out of the 10 present departments. Clearly we have assigned to the HHFA the full workload and the responsibilities of a department. But we have not yet granted its Administrator the status that should accompany such great responsibilities.

However, the case for a Department of Urban Affairs goes far beyond the importance of giving urban interests their due weight in deliberations on national policy. If there is one point

on which all close observers of urban affairs can agree, it is that housing, transportation, open space, and public services are interdependent. Nothing in our present administrative organization reflects this consensus. We have the testimony of municipal officials from such widely scattered points as Chicago, New Haven, Philadelphia, Tucson, and the State of Alabama that on almost any matter which they wish to take up with Federal Government it is necessary to visit at least six or seven separate agencies and to talk with men who seldom, if ever, have contact with one another. There is real need for establishing a department capable of pulling together those functions most intimately associated with the development of long-range solutions to metropolitan problems and of coordinating these functions with related Federal programs.

The bill I am introducing explicitly takes into account the interdependent nature of urban problems. It recognizes the shortsightedness of attempting to provide decent housing for our urban families without at the same time considering how water supply, sewage facilities, transportation and traffic control, industrial location, the availability of open space for public uses and the prevention and elimination of blight in the surrounding area all affect the adequacy of any residential environment. Moreover, it holds that centralized assessment of the overall impact of Federal programs on urban areas is needed if we are to avoid conflicts between the physical redevelopment of urban areas and the objectives of the federally supported social service agencies. As a first step toward preparing the Federal Government to do its share of these tasks, the bill proposes transferring the functions of the present Housing and Home Finance Agency, including all of its constituent agencies, to a Department of Urban Affairs. It also authorizes the Secretary of such a department to establish such new advisory and research councils as he may find appropriate. In themselves, however, these measures may not prove sufficient to overcome the fragmented character of our urban programs.

For this reason the bill contains provisions for a special commission to study the feasibility of making further transfers of functions to the Department Unless some objective attempt is made to determine which Federal activities might most properly be reconstituted within a Department of Urban Affairs, the full advantages of departmental status will not be realized.

Mr. Speaker, we in this House must face the fact that urban problems are national problems. Our cities have not lived up to their potential as the primary centers of our civilization. The physical deterioration and social disorder of our urban environments both reduce and are a reflection on our national strength. These observations have been made repeatedly in Presidential messages, in editorials, in extended studies of metropolitan areas. What is needed now is action—decisive political action that will at last give hope of a concerted, economical, and effective attack on urban problems to those millions of our citizens who live in cities. I believe the creation of a Department of Urban Affairs would provide a rational foundation for that hope.

## THE PROPOSED CIVIL INDUSTRIAL TECHNOLOGY PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. Bow] is recognized for 30 minutes.

Mr. BOW. Mr. Speaker, I want to call the immediate attention of the Congress to a clumsy and highly suspect attempt by a major Federal agency to undertake on behalf of the vast U.S. construction industry and without its invitation, participation, or guidance, an ill-conceived and ill-defined research program that would tamper with the delicate free enterprise mechanism of that highly competitive $80-billion-a-year industry, undercut that industry's own substantial research and development efforts, create a costly and self-perpetuating program that offers little prospect of benefit, set up a new area of political patronage, and would introduce to the American taxpayer a new breed of Government bureaucrat—the technocrat.

The agency I speak of is the Department of Commerce and the program for which it now seeks in the first year $9 million in Federal funds is its proposed civil industrial technology program, which would be administered by a new Assistant Secretary for Science and Technology. I submit that there is no better place to begin reducing the President's $98.8 billion budget than with the elimination of the program of which I speak.

### THE DEFICIENCY REQUEST

This matter first came to my attention during the last session of the Congress while sitting on the Appropriations Committee Subcommittee on Deficiencies. At that time the Commerce Department in a highly unusual procedure submitted a deficiency request for supplemental research funds for what was in fact a brandnew operation.

Now why would an agency as knowledgeable as Governor Hodges' is, adopt such an unusual procedure? The answer we of the subcommittee were given was that it was an emergency procedure brought about by the publication of a civilian report on construction industry research needs.

I have since learned that the report on which the Commerce Department based its claim for funds was in fact a quite preliminary one carried out by a small committee of the Building Research Advisory Board of the National Academy of Sciences. This BRAB report, as it is called, still has not been distributed throughout the 100,000 firms in the construction industry and therefore by no manner of means represents the industry.

I submit that the irregular procedure that was adopted had a much simpler purpose: It prevented debate on the merits of the proposal during the regular appropriations process.

Even when the civil industrial technology program was revealed to our subcommittee, it was only vaguely outlined. Since that time I have closely scrutinized descriptions of the program in the budget appendix, in the Economic Report of the President, and in numerous statements made by Commerce Department officials. I confess I have been puzzled by the wide variation and differing interpretations to be found in these different documents and statements, and can only conclude that the continuing vagueness of this program's outlines is purposeful.

### THE COMMERCE DEPARTMENT'S JUSTIFICATIONS

Unable to satisfy myself and my constituents with the bits and pieces of information and interpretation that I was able to collect in that way, I have since discussed this matter at length with a number of construction industry leaders and also conducted my own investigation.

In the informational vacuum that seems to have been deliberately created, I think that Members of the House may be interested in the sharp contrast between what the Commerce Department says about this program and what I have been able to find out.

First, the Department of Commerce proposes to inaugurate a program of governmentally sponsored research directed toward encouraging more deliberate, imaginative, and extensive use of technology not only in the construction industry but in other industries as well. At present, the other two industries for which funds are sought are textiles and machine tools. By prescribing this economic pep pill for these three patients, the Commerce Department maintains, labor productivity will be increased and U.S. products will become more competitive in foreign trade—especially with the Common Market.

To institute the program, a total amount of $7.4 million is now requested for the fiscal year beginning July 1 and a supplemental request of $1,250,000 is contemplated for expenditures during the remainder of the present fiscal year.

The basis on which the Commerce Department justifies the proposal is stated in the current report of the Council of Economic Advisers, which claims that there is an urgent need to stimulate more rapid development and fuller uses of technology in those sectors of the civilian economy which, despite high potential returns to the Nation, have not been able, or have not been motivated, to seize the opportunity without assistance.

### THE FOUR-POINT PROPOSAL

The report further states:

> With the exception of a few manufacturing firms, most enterprises neither undertake much research and development nor have trained technical manpower to take advantage of the research and development done by others.

It concludes:

> Government has a responsibility for maintaining a suitable environment for private research activity and for supporting programs which are in the public interest but which are not adequately stimulated by private market opportunities alone.

The report claims that this responsibility is made more crucial by the fact that "defense and space efforts have accounted for more than three-fourths" of the increase in the total expenditure for research and development in recent years.

Shedding these same crocodile tears, the Commerce Department developed a four-part program which includes these major activities:

First. Supporting the training of personnel at universities for industrial research and development through research grants; second, stimulation of research in industry institutions, which would include generating research beneficial to an industry or an industry segment which would not be properly undertaken for profitmaking reasons alone and "providing additional research services and facilities for those firms"—I repeat, firms—"which do not have a broad enough spectrum of products or services to support an independent research and development program of efficient size."

Those are just two of the four activities. The others include developing an industry-university extension service much like that of the Agriculture Department's, and supporting technical information services to supply industry with knowledge about technological activities and developments.

Those are the broad outlines of the program that will save the construction industry from itself. But now let us examine the program under higher magnification and see what some of those sonorous phrases really mean.

THE VAGUE DEFINITIONS

Basic to all this are some arbitrary assumption and decisions. Who has determined that the construction industry is lagging? What definition of the word has been applied, and against what had the construction industry been compared? It is certainly true that the technology of American industry has not reached its ultimate development, and I speak here of all American industry. But this does not mean that Government aid is either necessary or would prove effective in speeding an advance.

Construction industry leaders with whom I have spoken point out that the industry is presently carrying on a substantial amount of research and development work and they insist that it is far in excess of a Commerce Department figure which seems to have no basis in fact.

The definition of "lagging" is only the first of the subjective definitions that seem to appear everywhere in this program's outlines.

Not only does someone high in the Commerce Department's technological ivory tower decide which industries to tinker with, but he also would apply other subjective definitions such as: "stimulating," "segment of an industry," "broad enough spectrum of products," and "selective program."

Who decides, and on what basis, where "stimulation" ends and dislocation of competition and industrial programs begins?

What Solomon decides what an industry segment is, and which segments as well as firms are to be allowed to put their hand in the public till?

What crystal ball is available to determine whether this segment or that firm has a broad enough spectrum of products?

CHOOSING THE BENEFICIARIES

On the question of a "selective program," who does the selecting, and on what basis?

If you are interested in the answer to that question, let me quote the Commerce Department itself:

> The broad direction of the research program, such as the selection of particular industries in need of technological stimulation, and the criteria for eligibility of research institutions for contract awards, will be determined in the Department of Commerce, guided by advice from industry leaders, educators, and others.

How much guidance do you think the Assistant Secretary would seek from private industry when, as we have seen, industry's opinion not only was not sought in the program's creation, but was scrupulously avoided?

The mention of advice being sought from educators is also of interest, since the Commerce Department now proposes to enter the educational field and further compound the confusion in this area already created by the overlappings of the Department of Health, Education, and Welfare and the Department of Labor with its apprenticeship and other vocational programs.

UPSETTING THE COMPETITIVE BALANCE

When all is said and done, the Assistant Secretary and his staff would have an extraordinary amount of power over this country's largest domestic industry. Having so far failed to avail themselves of any of the practical knowledge that this industry has gained in its hundreds of years of activity, the authors of this program would begin dispensing grants and applying stimulation that could disrupt a basic industry and dislocate all its component architects, contractors, builders, building supply manufacturers, distributors, and workers. Not only would such action upset the delicate competitive balance of a highly competitive industry, it might cause structural unemployment in areas of the country which are dependent upon competitive parts of the industry.

Of paramount importance, they would again and again have to determine with unerring precision where basic research in a given product ended and where applied research began. In the case of collaborative research, it is interesting to speculate on how the Government would avoid running afoul of its own antitrust laws.

PENALIZING THE EFFICIENT

In my conversations with members of the industry, a number of other interesting points have been raised.

They point out that this program would penalize the most efficient producer by expending research funds, to bring the laggards within a group closer to the most advanced technological practices of the leaders, and, stimulate research and innovation in those industrial groups that have been relatively inactive or stagnant technologically. In effect, these most efficient producers would be taxed to pay for the technological advancement of their most inefficient competitors. This comes about as close to destruction of the free-enterprise concept as anything can.

THE FOREIGN MARKET MISTAKE

Another interesting point that the industry has raised is how Common Market competition can be cited as a valid justification for stimulating construction industry research. They point out that, while textile products and machine tools move in national and international trade, the product of building construction is mostly nonmovable and remains in its one location for its economic lifetime. Since structures and highways do not ordinarily move, bricks are not shipped overseas, and the construction industry is overwhelmingly domestic in nature, how can such a program help the United States compete with the Common Market? This is pure fancy.

DESTRUCTION OF PRIVATE RESEARCH

Industry also points out that this program would enter into competition with private industry research efforts, with predictable results. Those now spending their own funds for these activities would discontinue their own efforts and seek Government funds. This would dry up moneys now being spent privately and eventually the appropriation needed to finance research for the clamoring construction industry would be enormous. This, it is obvious, would cause even greater difficulties in our efforts to balance the Federal budget, to say nothing of stifling private initiative.

THE AGRICULTURAL IMITATION

I would also like to point out that advocacy of an industrial extension service along the lines of the Department of Agriculture's Extension Service would leave a great deal to be desired. We are now having proposed for industry the same sort of stimulation that has produced the sorry mess that we have in agriculture, with a continuing surplus and subsidy and no solution in sight. Interestingly, the President in 1961 proposed compulsory action to solve agriculture's difficulties, but this year the other cheek was turned and voluntary controls were recommended. Carried to its ultimate conclusion, we might at some future date have an industrial soil bank in which textile, machine tool, and construction industry producers could be paid by the Federal Government for not making anything.

NEW SOURCES OF POLITICAL FAVORITISM

Finally, consider the strong political implications in creating a whole new source of patronage and favoritism to influence this vast industry. Even the BRAB report which I mentioned earlier recommended that any Federal research be carefully controlled within the Bureau of Standards because of the patronage dangers that were clearly foreseen.

These are just some of the major flaws in this visionary program.

It would transgress the traditional boundaries of private enterprise and attempt to bring this industry under central economic planning.

It would in fact dislocate one of the Nation's prime industries at a time when we can ill afford any industrial slump. This in turn, would affect the economic well-being of constituents in every congressional district.

In my opinion, this is the most ill conceived, amateurish, and dangerous legislative proposal that I have seen in many years.

## FORTY-FIFTH ANNIVERSARY OF THE INDEPENDENCE OF LITHUANIA

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, the 45th anniversary of the independence of Lithuania was observed on February 16. It was a time of mixed feelings of pride and sorrow.

I am pleased to join those who saluted the Lithuanian people, for their courage and yearning for freedom remain as strong as ever.

My dedication to the cause of freedom in Lithuania and all captive European nations is as firm as ever. I am honored to be able to pay tribute to the examples of courage and determination which the Lithuanian people have set for the world.

At this time, though, I am also saddened that these people are prisoners, deprived of the most basic human freedoms, in their homeland. It is sad to know that there is still a substantial portion of this earth in which mankind is under the domination of a murderous, godless, totalitarian dictatorship.

Our hearts go out to the Lithuanian people the world over, in whom the flame of liberty still burns brightly. I know we all look forward to the day when oppressed peoples will be free.

## CUBA IN 1933

Mr. BRUCE. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. SHORT] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SHORT. Mr. Speaker—

The moving finger writes; and, having writ,
Moves on: nor all thy piety nor wit
Shall lure it back to cancel half a line,
Nor all thy tears wash out a word of it.
—From "The Rubaiyat" of Omar Khayam.

Mr. Speaker, last week I promised a kind of sequel to my "Selected Chronologies on Castro and Cuba" inserted in the RECORD as parts 1 through 10, and covering events from March 10, 1952, through January 1, 1963. Today, I would like to first quote an excerpt from the President's press conference of Thursday, February 7, 1963, when he was asked the following question:

Question. Mr. President, what chances do you think or do you believe there are of eliminating communism in Cuba, within your term?

The PRESIDENT. I couldn't make any prediction about the elimination. I am quite obviously hopeful it can be eliminated, but we have to wait and see what happens. There are a lot of unpleasant situations in the world today. China is one. "It is unfortunate that communism was permitted to come into Cuba. It has been a problem in the last 5 years." We don't know what is going to happen internally. There is no, obviously, easy solution as to how the Communist movement will be removed * * *.

Mr Speaker, aside from the quoted portion of this excerpt, I believe we all can agree and sympathize with the President. This is indeed a knotty problem with no easy solution. However, in regard to the portion of his answer which stated:

It is unfortunate that communism was permitted to come into Cuba. It has been a problem for the last 5 years.

I would like to offer proof that this has been a real and continuing problem since 1933, and possibly further back than that.

In the course of my research into the Cuban issue, I obtained a copy of an article published in the National Republic in November 1933, and written by Walter L. Reynolds. The National Republic magazine was originally a National Republican Club publication, started by Walter Steele and a Mr. Lockwood, both of whom are now dead. These men later published the magazine as an independent publication since some Republicans felt it should not be published under sponsorship of the Republican Party. This magazine appears to have been published last in March of 1960. The theme of this magazine was exposing communism in the United States and 90 percent of the publication was devoted to this effort. Walter L. Reynolds was the former chief clerk of a congressional committee created in 1929, the 70th Congress, and called Committee To Investigate Communist Activities in the United States. Mr. Reynolds later headed an American alliance of 219 organizations opposed to the recognition of Russia.

The article is entitled "Moscow's Hand in Cuba," and a subheading under the title states, "Concerted Action on Part of Moscow-Directed Agents of Revolution To Overthrow Regime After Regime Is Keeping Little American Republic in Turmoil and Strife as Moscow Drive to Set Up a Little Soviet of the West Continues."

This article impressed me a great deal because it was a prophetic outline of coming events which truly "cast their shadows before"—not 5 years ago—nor during the Eisenhower administration which so many seem to be fond of reminding us—but in 1933—during the early years of the Roosevelt administration.

Further, the article did not deal in just the bare bones of the Soviet efforts to establish a Communist dictatorship over the world, but went into the details of how this was to be accomplished—by means of labor problems—trade relationships—plans to utilize Cuba as the fulcrum from which the Communist ideology was to be catapulted in various directions throughout the Western Hemisphere—after failure of its efforts to use Germany as the fulcrum.

In the period of history around 1933 a group of 219 national organizations, including the American Legion, sparked by the efforts of its National Commander Hayes, William Green, of the American Federation of Labor, Mathew Wall—who held a series of 5 to 6 weeks' broadcasts over a national hookup—William Tyler Page, then Clerk of the House of Representatives, and Mark Hershey, a hero of World War I—joined in a nationwide nonpartisan effort, as an American alliance to oppose recognition of Soviet Russia. To quote a prophetic sentence from the article:

The recognition of Soviet Russia will furnish a new impetus to communism, not only in Cuba but throughout the world.

The article also prophetically states:

Sovietizing Cuba would permit the establishment of a perfect base on the Western Hemisphere for the dissemination of their revolutionary propaganda in the United States, Panama, and all Latin America, should the United States not extend recognition to Soviet Russia.

What were the rumors about the State Department at that time—under President Roosevelt? Let me quote further:

It is rumored in Washington that the officials of the State Department have reached an accord that the present regime in Cuba should be recognized at once to stabilize conditions there, but that Ambassador Welles reports from Cuba that the present regime cannot last because of certain Moscow international conspiracies and activities that have been discovered in Cuba. It is believed that State Department officials are guarding this information because of the public indignation it might create against U.S. recognition of Soviet Russia on the eve of the American-Russo conference to be held in Washington at the invitation of President Roosevelt.

Now let us refresh our memories again by reading a State Department release dated September 25, 1962, received in my office:

1. U.S. POLICY TOWARD CUBA

U.S. policy is to get rid of the Castro regime and Soviet Communist influence in Cuba. We will not permit the Cuban regime to export its aggressive purposes by force or the threat of force. We will prevent the Cuban regime by whatever means may be necessary from taking action against any part of the hemisphere. The United States in conjunction with the other countries of the hemisphere will make sure that increased armaments which the Soviets have furnished to the regime, while a burden to the Cuban people, will be nothing more than that.

There is, however, no evidence of any organized combat force in Cuba from any Soviet bloc country. Nor is there evidence of any significant offensive capability, including offensive ground-to-ground missiles, either in Cuban hands or under Soviet direction and guidance.

The recent Soviet aid to Cuba indicates a significant increase in Soviet involvement in Cuba. The Cuban regime is in trouble

and it is not surprising that it has committed itself further to the Sino-Soviet bloc in the hope of preventing its own collapse. The regime has been increasingly isolated from the hemisphere, its economy is crumbling, and it has discarded its pledges for economic and political freedom.

ACTION AGAINST COMMUNIST SUBVERSION IN THE HEMISPHERE

The meeting of foreign ministers of the American Republics, held at Punta del Este, Uruguay, in January 1962, recognized that the Communist offensive in the Americas poses a danger to the democratic institutions of the hemisphere. The meeting took several steps to deal with this danger, including the exclusion of the present Government of Cuba from participation in the inter-American system. Another of its decisions called upon the Council of the Organization of American States to maintain vigilance regarding acts of aggression, subversion, or other dangers to the peace and security resulting from the intervention of Sino-Soviet powers in the hemisphere. In addition the foreign ministers provided for the establishment of the Special Consultative Committee on Security to assist governments in security matters. The Committee presented its initial general report on May 1. The embargo imposed by the United States on Cuban imports pursuant to the decisions of the foreign ministers has resulted in a loss of income to Cuba and hence in Cuba's capacity to engage in subversive activities in the hemisphere.

Less than 1 month later—October 21, 1962—we all know the President announced the setting up of our quarantine against shipments of arms and military equipment to Cuba.

Further, now we not only see that Cuba's economy has not crumbled—as of February 21, 1963—but the U.N. is going to gallop to the rescue to make sure this does not happen, all the while protesting that American funds will not be used, so everything is fine. I have never advocated that the United States withdraw from the U.N., but I would like to challenge the U.N. to consider not only the physical needs of the Cuban people, but also those Cubans who have been forced by one means or another to leave their beloved island home because their desire for freedom—call it "intellectual" or "spiritual"—either word fits. Further, I challenge the U.N. to call for a free and open election to be held in which all Cubans will be allowed to cast their vote under protection of the U.N. as to what regime they prefer—the Soviet-Castro regime, or a free republican government. And then they will find Cuba would not need the U.N. aid to restore its economy, for the people themselves would restore it and could—if given the opportunity. Castro's announcement of no elections was for the same purpose the Berlin wall was built, to keep people in a state of slavery.

It is a pity the CONGRESSIONAL RECORD cannot print cartoons because the article I am quoting from included one also prophetic—depicting a basket on the steps of the U.S. Capitol holding an infant—oddly enough resembling Khrushchev—who is holding a bomb with a lighted fuse. The basket is labeled "Cuba, Little Soviet"—and a Russian labeled "Moscow" is peering over a fence at the baby to see if anyone from the Capitol rushes out to pick it up.

Well, obviously we did pick the baby up. We also recognized Soviet Russia, thus loosing upon the world the dread Communist forces politically blessed by the United States of America, through President Franklin Delano Roosevelt but not through the wishes of many, many troubled American citizens of both political parties.

We thus were found wanting at a time when the real basic morality of the United States of America was put to the acid test, and we are reaping the results now of that decision.

We are being retested today. Where stand we as a nation? Where stand we as a people? Is Cuba to truly be allowed to develop from "Little Soviet" to "Big Soviet" in the Western Hemisphere? Do we revise our thinking from the President down to the State Department—to the Congress—and to the people—and face what we could not face in 1933?

I seem to see and hear signs that some are heeding this handwriting on the wall even though some do it by the utterly unrealistic method of declaring Cuba, armed by the Soviets, is a threat not to the United States, but instead to Latin America.

My colleague, Congressman PAUL ROGERS of Florida, whom I respect and admire, had some pretty potent things to say to the House of Representatives on February 7, of this year, in a speech entitled "Cuban Venom Continues To Trickle." I commend his speech to anyone who has not read or heard it.

In 1933 there was a bipartisan effort to prevent recognition of Soviet Russia by the United States.

In 1963, as in 1933, there is still a bipartisan effort—regardless of what Senator FULBRIGHT chooses to term it—to get at the facts regarding our Cuban crisis, and the Soviet arms buildup in Cuba, and the use of Cuba to export communism to the entire Western Hemisphere.

And in 1963, as in 1933, there is an awareness on the part of the American people that something is seriously wrong with our morality as a nation when we speak strong words protesting the slavery and degradation of communism, but look the other way when means are suggested for us, as a nation, to protect our free civilization.

Mr. Speaker, I would like to ask permission to include the article "Moscow's Hand in Cuba," by Walter L. Reynolds, with my remarks today:

MOSCOW'S HAND IN CUBA

(By Walter L. Reynolds)

A year ago the drive of the Communist International for world revolution was centered in Germany. Most of its best trained available revolutionary forces were then concentrated there in an effort to win Germany to communism and add that nation to the world union of Soviet Socialist Republics under the control of Moscow. But for the patriotism of the vast majority of the German people, who finally became fully aroused to the situation with which they were confronted, it is possible the Reds would have succeeded. Communism, which had grown to a force of over 5 millions in Germany, was repulsed, however, and has since been stamped out or driven underground in considerable disorder, many of its agents taking refuge in France, Moscow, and Great Britain.

A new front of the so-called proletarian revolution has now developed—in Cuba—where the Communists, organized and led chiefly by their Anti-Imperialist League, with headquarters in New York City, a branch of the Red International, have begun another desperate struggle to carry on in Cuba from where they were forced to leave off in Germany. The Communist revolutionary movement always thrives where conditions such as exist in Cuba permit them to stir up discontent, leading to strikes, riots, and bloodshed. The Anti-Imperialist League has been preparing the way for the active revolutionary movement over the past 5 years, in accordance with instructions from Moscow, illustrated by the following extract from the program of the Communist International adopted at its Sixth World Congress:

"When the ruling classes are disorganized, the masses in a state of revolutionary ferment, when the middle classes incline to join the proletariat and the masses have shown themselves ready to fight and make sacrifices, it is the task of the proletarian party to lead the masses in a frontal attack against the bourgeois state. This will be attained by the propagation of gradually intensified slogans and by the organization of mass action.

"Such mass action includes strikes, strikes in connection with demonstrations, strikes in connection with armed demonstrations, and finally, the general strike combined with the armed rising against the government authority of the bourgeoisie. The highest form of the struggle follows the rules of warfare, and necessitates, as a preliminary plan of campaign, an offensive character in the fighting and unlimited devotion and heroism on the part of the proletariat."

In Cuba the unsettled conditions, unstable government and factional discontent have afforded a fertile ground for the fomentation of revolution, and the Communists have seized the opportunity afforded to ply their trade of murder, sabotage, and civil war. The strike stage was passed during the Machado regime, and the "highest form of the struggle" is ready to follow. Since their recent decisive defeat in Germany, the Communists cannot afford another such failure in Cuba. The workers of the world have been promised by the Soviets ever since the Russian revolution some definite accomplishments toward the establishment of a World Union of Soviet Socialist Republics and Cuba, they believe, now offers the best immediate opportunity. Then, too, sovietizing Cuba would permit the establishment of a perfect base on the Western Hemisphere for the dissemination of their revolutionary propaganda in the United States, Panama, and all Latin America, should the United States not extend recognition to Soviet Russia.

It is rumored in Washington that the officials of the State Department have reached an accord that the present regime in Cuba should be recognized at once to stabilize conditions there, but that Ambassador Welles reports from Cuba that the present regime cannot last because of certain Moscow international conspiracies and activities that have been discovered in Cuba. It is believed that State Department officials are guarding this information because of the public indignation it might create against U.S. recognition of Soviet Russia on the eve of the American-Russo Conference to be held in Washington at the invitation of President Roosevelt.

The recognition of Soviet Russia by the United States will furnish a new impetus to communism, not only in Cuba but throughout the world, and at the same time act as a sedative to the growing impatience of the starving and depressed millions in Russia. In order to attract our money lenders, Soviet Russia has dangled the bait of lucrative

trade promises, which has in the past been gobbled up by our international-minded financiers and Government officials. The Soviets say that after recognition they will purchase American goods to the amount of a billion dollars, to rehabilitate world communism; the extent of such trade depends entirely on how much our gullible capitalists and the RFC are willing to loan—$1 or $5 billion—having absolutely no intention of ever making payment. Is it reasonable to expect the Soviets, the least responsible of all governments both financially and morally, to repay such loans when France, England, Italy, and other European nations have set a precedent of repudiation by refusing to pay their debts to the United States?

For sake of argument, even should the Bolsheviks reverse their announced policy of abrogation of all contracts when it is no longer to the interest of the Soviet Republics to live up to them, as enunciated by several of its prominent officials in the past, would it be possible for the already bankrupt U.S.S.R. to make such payments? It has already obligated itself to payments to others in the amount of $350 million a year to 1935. Soviet spokesmen are frank in saying they can pay us in the event of a new loan only by reciprocal trade agreements; by selling their wheat, oil, lumber, and coal, of which we already have surpluses, on our own markets. Competition from such forced labor, low cost and no cost, products would be ruinous to our own industries and cause further unemployment of free American labor. Then there is the probability that the Soviets would resell our commodities, bought on long-term credits, to our regular customers at less than actual production cost, to further demoralize the world markets and to raise cash for the purchase of arms and munitions to build up the Red army and strengthen the world revolutionary movement in all countries, including Cuba and the United States. They are now buying huge quantities of arms and ammunition from Poland on credit.

We are dealing with an enemy state, according to the definition placed on Russia by the Woodrow Wilson administration, and the leopard has not changed its spots. The main obstacle to recognition of Soviet Russia still remains—the attacks of Soviet agents on our institutions and their attempts to overthrow our Government by force and violence. It is to be hoped that the present administration will not barter away any of our cherished principles in dealing with the Soviets.

President Roosevelt has a means at his disposal to determine, to a degree, whether the past activities of the officials of the Soviet Government who have been in this country as representatives of the Amtorg Trading Corp. have been confined strictly to business matters, or whether they have been participating in Communist conspiracies and attacks on our Government. In 1930 the Special Committee of the House of Representatives investigating communism seized, by subpena, several hundred cablegrams transmitted between Moscow and Amtorg. These messages were sent in a private Moscow code, in direct violation of international law, so complex that no cipher expert in the world has ever been able to break it down and the Soviet officials in the United States refused to decipher them even in secret session. If the business of Amtorg was legitimate, as they claimed, it would not appear necessary to entail such extraordinary precautions as to invoke a code that defies all cipher experts. The President should demand the key to this code from the Soviet officials, as an act of good faith to prove that its accredited officials have not been actively engaged in the revolutionary activities of the third international in this country. If this demand is refused, there can be only one interpretation as to the content of these messages, and it would indicate what we may expect from Soviet officials who are to be given diplomatic immunity through recognition. Such agents have been found active in revolutionary work in Great Britain, Mexico, China, Argentina, France, Germany, and elsewhere.

When and if the recognition question is settled in the United States in favor of Russia, the Cuban campaign will be renewed with every available means and Communist agents in the United States will continue to supply the necessary backing and leadership. The Cuban situation today has a remarkable resemblance to the Russian picture in 1917. The Reds have resorted to the original tools of the Bolsheviks in Russia, by adopting slogans and other phases of the Russian revolution, as directed by Moscow. They are driving to force the Cuban citizens and the rank and file of the Cuban army to join their cause under the Anti-Imperialist League slogan: "The Cuban masses are struggling for bread, land, and freedom." The same meaningless promise of the Russian Communist Party in 1917, almost word for word. The Anti-Imperialist League, supported by the Cuban National Confederation of Labor (CNOC) and the Cuban Communist Party, is constantly stirring up strikes and inciting riots, bombings, and killings throughout Cuba. Other Communist International groups, such as the Communist Parties of the United States, Mexico, Panama, Colombia, Venezuela, Honduras, Salvador, Costa Rica, and Guatemala, have issued manifestos calling for the support of all Communist groups and their sympathizers and ending with the salutation: "Long live the workers, peasants, and soldiers Soviet government of Cuba."

Regardless of the fact that such action is the last thing the United States desires, for if the Communists were to overthrow the existing Cuban Government and gain control, intervention by the United States would be inevitable. Anticipating this, the Anti-Imperialist League has been flooding the United States with propaganda to keep hands off Cuba, seizing upon the act of the U.S. Government in sending battleships to Cuban waters to incite the Cubans against this country, and circulating thousands of petitions throughout the United States and Latin America addressed to President Roosevelt protesting against the United States participating in Cuban affairs. While the United States is merely undertaking to live up to its obligations under the Platt amendment, to insure the maintenance of a government adequate for the protection of life, property, and individual liberty, the Communist International is using every possible means to have the Cubans misinterpret such action and to convert them to their cause, asserting that the United States intends to annex Cuba for the benefit of Wall Street, and that only a revolutionary government of the workers and peasants, a Soviet government, can free Cuba from imperialist domination and clear the way for a higher standard of life for the Cuban toilers. This propaganda has extended to varied efforts by the Communists to win over to their cause the U.S. marines and sailors who have been sent to Cuban waters. The Young Communist League has been particularly active in this phase of revolutionary activities, posting in all conspicuous places in the United States and in Havana, appeals to the marines to refuse to fight the Cuban workers and to "turn your guns on the bosses."

President Grau San Martin has been accused by many of being definitely alined with the radical elements in Cuba, which he has admitted while denying any Communist affiliations. He has, however, abetted the Communist cause by being overlenient in his treatment of Communist agitators, and by berating the American capitalists who have been trying to exert influences in Cuba, helping thus to crystallize the resentment of the Cuban people against the United States. While there is little doubt but that some of his charges are based on good cause, and that certain of these capitalists have been guilty of meddling and misdealings, nevertheless it should have been the President's first duty, in the interest of Cuba, to cooperate with the United States and to help instill confidence and faith in the good will of American officials who have been sent there in the interest of his own country. While San Martin professes to be friendly to the United States and unquestionably fully realizes our intentions he has continued to play into the hands of the Communists by adopting tactics similar to their own, and is, according to reports considering the appointment of representatives of the radical or Communist element to official positions in the new government.

The Chicago Daily Tribune, commenting on a statement by Sergeant Batiste, San Martin's military leader, that "we will not relinquish control until a truly revolutionary government has been established in Cuba" has this to say editorially: "The question of intervention either from the viewpoint of legal right or of expediency will turn upon Sergeant Batiste's and his associates' notions of a truly revolutionary government. If, as may be suspected, it involves confiscation of property, the execution or imprisonment of dissenters, repudiation of debts and other measures adopted by other truly revolutionary regimes, it would seem that American intervention would come within the terms of the Platt amendment whether or not it is deemed desirable by our Government. * * * If the new regime has communistic intentions it will soon confront our Government with the duty of intervention, reluctant as it and the American people are to resort to forceful interference in Cuban events."

Should Grau San Martin permit the Communists a foothold by appointment to office, then their next step would be to gain complete control of that government, with the consequent establishment of a Communist dictatorship, infinitely more disastrous to the welfare of the Cuban people than was the Machado military dictatorship. In that event, since the United States felt compelled to mediate in the first instance, it would be essential, if the United States is to uphold its world prestige and self-respect, to intervene under the Platt amendment. A Communist dictatorship would, as in Russia, abolish any semblance of human rights, and the murders under the Machado regime would fade into insignificance as compared to the slaughter of Cuban nationals under a Communist dictatorship. Wholesale murder would be legalized, to permit the liquidation of all those who oppose any of its actions, as "counterrevolutionists."

The Daily Worker, official Communist organ of the Communist Party of the United States and semiofficial mouthpiece of the Anti-Imperialist League, in its issue of August 14th, condoned the murders of Jose Magrinat and Balmaseda by Communist mobs, stating that "They dragged him (Magrinat) out to the streets where he was beaten to death with bats and clubs," and that "the police stood by and did not dare to interfere." They also promised that other so-called "hangmen and assassins of Machado are meeting the fate of Magrinat and Balmaseda at the hands of the enraged workers." This is a direct agitation for murder. Magrinat was accused by the Communists of murdering Julio Mella, one of the founders of the Communist Party of Cuba, and this is cited as an example of what might be expected if the Communists gain control of Cuba.

The Upsurge, official organ of the Anti-Imperialist League of the United States, makes the following report in its September issue, regarding the progress of the strike

movement in Cuba, leading to the revolutionary crisis—civil war:

"Even within the ranks of the armed forces, the mass movement—communism—has taken root. The officers have been ousted, the noncommissioned officers elected by rank and file soldiers. The latter are fraternizing with the workers, and in many cases have refused to fire on them in the course of strikes. * * * While the Communist Party of Cuba and the CNOC lent the spark that set off the successful general strike, the mass movement that is now gaining in strength is getting more and more under the leadership of these organizations. This is a guarantee that in the shops and in the fields the revolution will not be betrayed. With a clear-cut program of economic demands and an uncompromising stand against imperialism, the revolutionary forces are drawing toward the anti-imperialist agrarian revolution."

The propaganda campaign in the United States keeps apace. A recent letter sent out from the New York office of the Anti-Imperialist League stated in part:

"The dispatch of 30 warships and thousands of marines is the answer of Roosevelt to the struggles of the Cuban masses for liberation. The entire Atlantic fleet surrounds the island ready to crush the Cuban workers and peasants as they rise to carry through the agrarian anti-imperialist revolution. * * * In the face of these imperialist schemes it is imperative that the American workers, farmers, and intellectuals be rallied at once to the support of the colonial masses who are struggling for liberation from the grip of U.S. imperialism."

Before recognition is extended to the Grau San Martin government, the United States should make sure that his regime is free from Communist influences, and that it will take aggressive action against the revolutionary movement sponsored by an alien power. Guarantees must be had that the promise of a direct franchise to the people will be kept, and that the constituent assembly scheduled for next April is held, otherwise no lasting peace is assured the Cuban people nor can the U.S. Government reconcile its past actions to such recognition until these conditions are met.

Should a Communist dictatorship (a Soviet) be established in Cuba, the Third International will have established an important base at our very door, and thereby control the Atlantic entrance to the Panama Canal from where they could carry on their program of sabotage and revolution in the United States, Latin and South America. It would, of course, be more desirable to Russia to have us give their agents diplomatic immunity here in the United States under official recognition, to better carry on this program, but with a newborn Soviet established in Cuba, it would be a simple matter to smuggle her agents into the United States to carry on these revolutionary activities. With both sources made available, we would be faced with a crisis which might prove to be the worst series of blunders ever perpetrated upon any nation by its governing officials.

On the other hand, with the recognition of Soviet Russia being proposed by the United States, President Roosevelt should realize that the Cuban situation must be given consideration. Representative Hamilton Fish, Jr., of New York, recently stated: "If President Roosevelt recognizes Soviet Russia as indicated by the public press, all hell won't stop the Communists in Cuba from Sovietizing that country at our very doorsteps." Would it be a friendly act on the part of the United States, should Cuba be able to work out of its present difficulties, to have this country welcome Communist agitators to our shores from whence they can proceed to Cuba to continue to organize a revolutionary force sufficient to overthrow the existing Government of Cuba and undo all the progress the Cuban people may have made? It would be very easy for these revolutionary agents, who are accorded diplomatic immunity by this country, to go out from consulates established at Miami and other cities in Florida, for instance, to lead such a revolutionary movement for the establishment of a Communist dictatorship in Cuba.

Cuba and the United States have a common enemy, against whom they should form an ironclad alliance, and this country should realize its responsibilities in Cuba in time to avoid extending recognition to Russia and thus aline itself against our neighbor, who should mean more to us than the outlaw Russian nation. Events of the past few months indicate, however, that many of our officials are unaware of the true situation. The first act of the Secretary of Labor on taking office was to practically destroy our immigration service; she discharged most of the efficient investigators who were engaged in running down aliens who were in this country illegally and deporting them.

So well has she pleased the radicals in the United States that they mention the fact that they are making progress "through support by departments of the Government." Then, shortly before the President's proposal of recognition to Soviet Russia, Representative Dickstein, according to Moscow's official organ in New York City, became suddenly alarmed over a report which appeared in that organ, the Daily Worker, that some kind of "Hitler International" was being formed in the United States for the purpose of Hitlerizing the United States. Mr. Dickstein "promised us," the Red organ contended, that "an investigation would be made at once," since which the Congressman has rather perplexed the Reds by properly adding that "all alien who are guilty of spreading propaganda to overthrow our Government" will be investigated and if possible "be deported." This newly proposed action on the part of Representative Dickstein will be heartening to many of our patriotic organizations and to millions of American voters who have worked so hard to secure favorable action on the Dies bill, providing for the exclusion and expulsion of alien Communists (now pending in Congress for 3 years) if they can be assured by Mr. Dickstein that such an investigation will include "all alien and alien-directed propagandists and saboteurs from an unprejudiced angle, irrespective of any beliefs involved. There can be no question as to the intent and avowed purpose of the alien agents of the Communist international, abetted by Soviet Russia, to overthrow our form of government.

Furthermore, if the Communists are recognized, the U.S. Government owes it to the people of the United States to also see that the Jeffers bill, making it a crime to advocate the overthrow of the Government by force and violence is enacted into law. This bill would enable the Department of Justice to keep in contact with the activities of the Communist movement and permit the Government to be in some measure prepared to protect our institutions against riots and sabotage movement sponsored by the Communist agents who are evidently to be welcomed to this country. With the enactment of such laws, at least some measure of protection would be afforded our own citizens, and the United States will be prepared at least to some extent to help Cuba meet the crisis there which is certain to follow such recognition.

Recognition of Soviet Russia will increase our responsibilities in Cuba, and if the revolutionary movement there forces intervention, in justice to the Cuban people and under our responsibilities as laid down by the Platt amendment, we will have destroyed any progress we may have already made in building up good will and amicable trade relations in Latin-America, thus trading many good cash-paying customers for a bankrupt and begging one. It is to be hoped that such ill-advised action on the part of our Government will not have serious repercussions across the Pacific, involving the United States as a catspaw to pull Soviet chestnuts out of the Far East fire, and thereby stimulate the Third International's drive to communize the remainder of China. Such a display of foolhardy international policies by the present administration on the Russian recognition question could give no hope or comfort to those of our citizens who are desirous that the United States should exert its efforts toward world peace, and would easily result in an unholy alliance with the Soviets which might lose for us the respect and good will of Japan and China.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. THOMPSON of Texas (at the request of Mr. MONTOYA), for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. RYAN of New York, for 15 minutes, today.

Mr. FISHER, for 30 minutes, today.

Mr. BOW, for 30 minutes, today and to revise and extend his remarks and include extraneous matter.

Mr. CUNNINGHAM (at the request of Mr. BRUCE), for 30 minutes, on February 25.

Mr. BECKER (at the request of Mr. BRUCE), for 1 hour, on February 25.

Mr. ASHBROOK (at the request of Mr. BRUCE), for 1 hour, on February 26.

## EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FINO and to include extraneous matter.

Mr. REUSS and to include extraneous matter.

Mr. MONTOYA.

Mr. HORTON.

Mr. LONG of Louisiana.

(The following Members (at the request of Mr. BRUCE) and to include extraneous matter:)

Mr. DEROUNIAN.

Mr. BECKER.

Mr. BERRY.

Mr. ALGER.

Mr. CURTIS.

Mr. AVERY.

Mr. MACGREGOR.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. LANKFORD.

Mr. KEOGH.

Mr. DONOHUE.

Mr. ST. ONGE.

Mr. STRATTON

Mr. HANNA.

Mr. WICKERSHAM.

(The following Member (at the request of Mr. BRUCE) and to include extraneous matter:)

Mr. HARSHA.

## ADJOURNMENT

Mr. DUNCAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until Monday, February 25, 1963, 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:

437. A letter from the Secretary of the Air Force, transmitting the U.S. Air Force flying pay report relating to the number receiving flight pay as of August 31, 1962, pursuant to section 301(g), title 37, United States Code; to the Committee on Armed Services.

438. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill to repeal section 262 of the Armed Forces Reserve Act, as amended, and to amend the Universal Military Training and Service Act, as amended, to revise and consolidate authority for deferment from, and exemption from liability for induction for, training and service for certain Reserve membership and participation, and to provide a special enlistment program"; to the Committee on Armed Services.

439. A letter from the Deputy Secretary of Defense, transmitting a report relating to paying special pay to certain officers during the calendar year 1962, pursuant to section 306, title 37, United States Code; to the Committee on Armed Services.

440. A letter from the Secretary of Labor, transmitting a draft of a proposed bill entitled "A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes"; to the Committee on Armed Services.

441. A letter from the Assistant Secretary of Defense (Installations and Logistics) transmitting the December 1962 report on Department of Defense procurement from small and other business firms, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

442. A letter from the Attorney General, transmitting a report containing the results of our continuing review of the outstanding voluntary agreements and programs established, pursuant to section 708(e) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

443. A letter from the Chairman, Foreign Claims Settlement Commission, transmitting a draft of a proposed bill entitled "A bill to amend the International Claims Settlement Act of 1949, as amended, to provide for the timely determination of certain claims of American nationals settled by the United States-Polish Claims Agreement of July 16, 1960, and for other purposes"; to the Committee on Foreign Affairs.

444. A letter from the Comptroller General of the United States, transmitting a report on the review of the uneconomical procurement of aircraft tires by the military services under Federal supply schedules issued by the General Services Administration; to the Committee on Government Operations.

445. A letter from the Comptroller General of the United States, transmitting a report on the review of relocation costs incurred by contractors with the Department of Defense and the National Aeronautics and Space Administration for the recruiting of salaried personnel who terminated employment shortly after they were hired; to the Committee on Government Operations.

446. A letter from the Administrator, Federal Aviation Agency, transmitting the Fourth Annual Report of the Federal Aviation Agency for fiscal year 1962, pursuant to section 313(e) of the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

447. A letter from the Administrator, Federal Aviation Agency, transmitting a draft of a proposed bill entitled "A bill to amend section 902 of the Federal Aviation Act of 1958 relating to penalties for falsification of records, and for other purposes, to the Committee on Interstate and Foreign Commerce.

448. A letter from the Acting Chairman, Federal Communications Commission, transmitting draft of a proposed bill entitled "A bill to amend paragraph (2)(G) of subsection 309(c) of the Communications Act of 1934, as amended, by granting the Federal Communications Commission additional authority to grant special temporary authorizations for 60 days for certain nonbroadcast operations"; to the Committee on Interstate and Foreign Commerce.

449. A communication from the President of the United States, transmitting a report on the water resources research activities of the executive branch of the Government; to the Committee on Interior and Insular Affairs.

450. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill relating to age limits in connection with appointments to the U.S. Park Police"; to the Committee on Interior and Insular Affairs.

451. A letter from the Director, Bureau of Land Management, Department of the Interior, transmitting a report of negotiated contracts made for the disposal of materials for the period September 25 through December 31, 1962, pursuant to Public Law 87-689; to the Committee on Interior and Insular Affairs.

452. A letter from the Secretary of Health, Education, and Welfare, transmitting a report of all tort claims paid by this Department for the period January 1 to December 31, 1962, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

453. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend the inland and western rivers rules concerning anchor lights and fog signals required in special anchorage areas, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

454. A letter from the Assistant Director for Legislative Reference, Bureau of the Budget, Executive Office of the President, transmitting a report which shows the costs resulting from the enactment of a proposed bill to provide for increased Federal Government participation in meeting the costs of maintaining the Nation's Capital City, pursuant to the act of July 25, 1956 (5 U.S.C. 642a); to the Committee on Post Office and Civil Service.

455. A letter from the Director, Office of Legislative Affairs, National Aeronautics and Space Administration, transmitting a report of the National Aeronautics and Space Administration with respect to certain civilian positions established in grades 16, 17, and 18 of the general schedule during the calendar year 1962, pursuant to the Federal Executive Pay Act of 1956 (70 Stat. 762); to the Committee on Post Office and Civil Service.

456. A letter from the Deputy Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives pursuant to section 3 of the act of July 21, 1961 (75 Stat. 216, 217); to the Committee on Science and Astronautics.

457. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to authorize the construction and equipping of buildings required in connection with the operations of the Bureau of the Mint"; to the Committee on Public Works.

458. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions which this Service has approved according the beneficiaries of such petitions first preference classification under the act, pursuant to the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 79. A bill to amend title 14, United States Code, to require authorization for certain appropriations; with amendment (Rept. No. 34). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 3913. A bill to amend title 39, United States Code, to provide for suspension of mailing permits in cases involving mailing of pornographic material, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 3914. A bill to amend the Interstate Commerce Act so as to prohibit the segregation of passengers on account of race or color; to the Committee on Interstate and Foreign Commerce.

H.R. 3915. A bill to amend the Federal Aviation Act of 1958, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3916. A bill to amend the Civil Service Retirement Act so as to provide for retirement on full annuity at age 55 after 30 years of service; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON:

H.R. 3917. A bill to amend title II of the Social Security Act to increase from $1,200 to $3,000 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BARRETT:

H.R. 3918. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

H.R. 3919. A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. KING of California:

H.R. 3920. A bill to provide under the social security program for payment for hospital and related services to aged beneficiaries; to the Committee on Ways and Means.

By Mr. BARRY:

H.R. 3921. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal re-

quirements of the executive agencies of the Government of the United States; to the Committee on Rules.

H.R. 3922. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

By Mr. BECKER:

H.R. 3923. A bill to amend titles 10 and 32, United States Code, with respect to technicians of the National Guard; to the Committee on Armed Services.

By Mr. BROOMFIELD:

H.R. 3924. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the income tax for contributions made to institutions of higher learning by individuals who pay tuition and fees to such institutions; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 3925. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas, and to authorize pilot local youth public service employment programs; to the Committee on Education and Labor.

By Mr. CELLER:

H.R. 3926. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 3927. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

By Mr. COOLEY:

H.R. 3928. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for marketing quotas on Irish potatoes through establishment of acreage allotments; to the Committee on Agriculture.

By Mr. DENT:

H.R. 3929. A bill to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DEVINE:

H.R. 3930. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals; to the Committee on Veterans' Affairs.

By Mr. DINGELL:

H.R. 3931. A bill to amend the Internal Revenue Code of 1954 to provide increased tax incentives for individuals and corporations that manufacture or produce goods for export; to the Committee on Ways and Means.

H.R. 3932. A bill to protect civil rights through improvement in the quality of police forces; providing criminal and civil remedies for unlawful official violence; authorizing suits by the Attorney General to prevent exclusion of members of minority groups from jury service; and for other purposes; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 3933. A bill to promote public knowledge of progress and achievement in astronautics and related sciences through the designation of a special day in honor of Dr. Robert Hutchings Goddard, the father of modern rockets, missiles and astronautics; to the Committee on the Judiciary.

H.R. 3934. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

By Mr. DORN:

H.R. 3935. A bill to amend section 314(k) of title 38, United States Code, to authorize payment of statutory awards for each anatomical loss or loss of use specified therein; to the Committee on Veterans' Affairs.

By Mrs. DWYER:

H.R. 3936. A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. FASCELL:

H.R. 3937. A bill to provide for the establishment of the National Academy of Foreign Affairs, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FARBSTEIN:

H.R. 3938. A bill to amend the International Claims Settlement Act of 1949, as amended, relative to the return of certain alien property interests; to the Committee on Foreign Affairs.

H.R. 3939. A bill to provide for assistance in the construction and initial operation of community mental health centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3940. A bill to assist States in combating mental retardation through construction of research centers and facilities for the mentally retarded; to the Committee on Interstate and Foreign Commerce.

By Mr. FINO:

H.R. 3941. A bill to amend section 902 of title 38, United States Code, to eliminate the offset against burial allowances paid by the Veterans' Administration for amounts paid by burial associations; to the Committee on Veterans' Affairs.

By Mr. FLOOD:

H.R. 3942. A bill to authorize the Secretary of Commerce to purchase industrial and commercial evidences of indebtedness to promote certain industrial and commercial loans in redevelopment areas by lending institutions in order to help such areas plan and finance their economic redevelopment, and for other purposes; to the Committee on Banking and Currency.

By Mr. FRIEDEL:

H.R. 3943. A bill to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FULTON of Pennsylvania:

H.R. 3944. A bill to amend chapter 31 of title 39, United States Code, to require the inscription "In God We Trust" to appear upon all postage stamps, stamped envelopes, and postal cards; to the Committee on Post Office and Civil Service.

By Mr. GALLAGHER:

H.R. 3945. A bill to amend title 38, United States Code, to provide education and training, loan guarantee, wartime rates of disability compensation, pension, and other wartime service benefits to persons serving in combat zones after January 1, 1962; to the Committee on Veterans' Affairs.

By Mr. GREEN of Pennsylvania:

H.R. 3946. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 3947. A bill to assist States in combating mental retardation through construction of research centers and facilities for the mentally retarded; to the Committee on Interstate and Foreign Commerce.

H.R. 3948. A bill to provide for assistance in the construction and initial operation of community mental health centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HANNA:

H.R. 3949. A bill to amend chapter 79 of title 10, United States Code, to provide that certain boards established thereunder shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate, and for other purposes; to the Committee on Armed Services.

By Mrs. HANSEN:

H.R. 3950. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773; 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; to the Committee on Agriculture.

By Mr. HORAN:

H.R. 3951. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773; 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; to the Committee on Agriculture.

By Mr. HARVEY of Michigan:

H.R. 3952. A bill to increase the lending authority of the Export-Import Bank of Washington, to extend the period within which the Export-Import Bank of Washington may exercise its functions, and for other purposes; to the Committee on Banking and Currency.

By Mr. HAWKINS:

H.R. 3953. A bill to amend chapter 79 of title 10, United States Code, to provide that certain boards established thereunder shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate, and for other purposes; to the Committee on Armed Services.

By Mr. HEMPHILL:

H.R. 3954. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HORAN:

H.R. 3955. A bill to amend the National Housing Act to provide that only lumber and other wood products which have been produced in the United States may be used in construction or rehabilitation covered by Federal Housing Administration insured mortgages; to the Committee on Banking and Currency.

H.R. 3956. A bill to prohibit the use of stopwatches or other measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. JOHNSON of California:

H.R. 3957. A bill to amend the Tariff Act of 1930 so as to impose a duty upon the importation of montan wax in Communist-dominated or Communist-occupied areas of Germany; to the Committee on Ways and Means.

H.R. 3958. A bill to amend the National Housing Act, as amended (48 Stat. 1246, 12 U.S.C. 1701), to require the use of domestically grade-marked lumber and wood products in the construction of housing federally financed and/or federally insured, and for other purposes; to the Committee on Banking and Currency.

By Mr. JOHNSON of Wisconsin:

H.R. 3959. A bill to amend title II of the Social Security Act to increase the amount of

outside earnings permitted during a calendar year from $1,200 to $1,800 without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. KEOGH:

H.R. 3960. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. LANGEN:

H.R. 3961. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. LINDSAY:

H.R. 3962. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

H.R. 3963. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. McCLORY:

H.R. 3964. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

By Mr. McINTIRE:

H.R. 3965. A bill relating to domestically produced fishery products; to the Committee on Agriculture.

By Mr. MARSH:

H.R. 3966. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 3967. A bill to permit unmarried annuitants under the Civil Service Retirement Act to elect survivorship annuities upon subsequent remarriage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. MAY:

H.R. 3968. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773, 7 U.S.C. 624), to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; to the Committee on Agriculture.

H.R. 3969. A bill to amend the National Housing Act, as amended (48 Stat. 1246, 12 U.S.C. 1701), to require the use of domestically grade-marked lumber and wood products in the construction of housing federally financed and/or federally insured, and for other purposes; to Committee on Banking and Currency.

By Mr. MORRISON:

H.R. 3970. A bill to amend section 3552 of Public Law 87–793, relating to automatic advancement by step increases; to the Committee on Post Office and Civil Service.

By Mr. NIX:

H.R. 3971. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. OLSEN of Montana:

H.R. 3972. A bill to amend the National Housing Act to prohibit the use of foreign lumber or other wood products in any construction or rehabilitation covered by Federal Housing Administration-insured mortgages; to the Committee on Banking and Currency.

H.R. 3973. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

By Mr. O'NEILL:

H.R. 3974. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, so as to authorize the Administrator of Veterans' Affairs to furnish space and facilities, if available, to State veteran agencies; to the Committee on Veterans' Affairs.

H.R. 3975. A bill to amend title 38, United States Code, so as to authorize the Administrator of Veterans' Affairs to furnish space and facilities, if available, to State veteran agencies; to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 3976. A bill to amend the Civil Service Retirement Act to provide for the adjustment of inequities and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 3977. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for certain amounts set aside by a taxpayer for the higher education of prospective college students in his family, and a tax credit for certain amounts otherwise paid as educational expenses to institutions of higher education; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 3978. A bill to provide a 1-year program for balancing milk supplies with market outlets by direct payments to support the income of dairy farmers, to provide consumers with dairy products at reasonable prices, and to reduce dairy products support costs for the Federal Government; to the Committee on Agriculture.

By Mr. ROBERTS of Alabama:

H.R. 3979. A bill to amend the act of July 14, 1960, to require persons operating motor vehicles in interstate commerce to have certain operator's or chauffeur's licenses or permits; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBISON:

H.R. 3980. A bill to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to the Committee on Rules.

By Mr. ROGERS of Florida:

H.R. 3981. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H.R. 3982. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I and their widows and dependents; to the Committee on Veterans' Affairs.

By Mr. ROUDEBUSH:

H.R. 3983. A bill to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3984. A bill to provide for the issuance of a special postage stamp in commemoration of the 150th anniversary of the admission of the State of Indiana to the United States to be celebrated in 1966; to the Committee on Post Office and Civil Service.

H.R. 3985. A bill to provide for the striking of medals in commemoration of the 150th anniversary of the statehood of the State of Indiana; to the Committee on Banking and Currency.

H.R. 3986. A bill to amend chapter 15 of title 38, United States Code, to liberalize the basis on which pension is payable by providing that public or private retirement payments shall not be counted as income and that the income of the spouse shall be disregarded in the determination of annual income of a veteran; to eliminate the "net worth" eligibility test; and to repeal the requirement of reduction of pension during hospitalization for veterans with dependents; to the Committee on Veterans' Affairs.

H.R. 3987. A bill to amend title 39, United States Code, to prevent the use of stopwatches or other measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. RYAN of Michigan:

H.R. 3988. A bill to provide that motor vehicles sold or shipped in commerce must be equipped with seat belts which meet certain safety standards; to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN of New York:

H.R. 3989. A bill to amend the United Nations Participation Act of 1945, to provide for reimbursement to the city of New York of certain unusual expenses incurred by that city during the meeting of the United Nations in September and October 1960; to the Committee on Foreign Affairs.

H.R. 3990. A bill to provide reimbursement for New York City for the portion of the costs of its police department attributable to providing protection to the United Nations and delegates thereto; to the Committee on Foreign Affairs.

By Mr. ST. GERMAIN:

H.R. 3991. A bill to amend section 133 of title 23 of the United States Code relating to relocation assistance for displaced families and businesses; to the Committee on Public Works.

By Mr. ST. ONGE:

H.R. 3992. A bill to provide for the redesigning of the 5-cent George Washington regular postage stamp so as to incorporate George Washington's immortal words "To Bigotry No Sanction"; to the Committee on Post Office and Civil Service.

By Mr. SCHWENGEL:

H.R. 3993. A bill to extend and amend the conservation reserve program; to the Committee on Agriculture.

H.R. 3994. A bill to confer jurisdiction over the Iowa ordnance plant reservation upon the State of Iowa; to the Committee on Armed Services.

By Mr. SHELLEY:

H.R. 3995. A bill to authorize the Secretary of the Interior to initiate a program for the conservation, development and enhancement of the Nation's anadromous fish in cooperation with the several States; to the Committee on Merchant Marine and Fisheries.

By Mr. SHEPPARD:

H.R. 3996. A bill to amend title 38, United States Code, to provide for the payment of pensions to veterans of World War I and their widows and dependents; to the Committee on Veterans' Affairs.

By Mr. SNYDER:

H.R. 3997. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for any dependent without regard to his income if such dependent is under 19 or a student and is living with the taxpayer; to the Committee on Ways and Means.

By Mr. STINSON:

H.R. 3998. A bill to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. SULLIVAN:

H.R. 3999. A bill to amend section 66 of title 2 of the Canal Zone Code; to the Committee on Merchant Marine and Fisheries.

By Mr. THOMSON of Wisconsin:

H.R. 4000. A bill to extend certain benefits to persons who served in the Armed Forces of the United States in Mexico or on its borders during the period beginning May

9, 1916, and ending April 6, 1917, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 4001. A bill to amend section 501 of title 38, United States Code, to provide that active military service on the Mexican border before World War I by persons who performed active service during World War I shall be included in determining eligibility of World War I veterans, their widows, and children for pension; to the Committee on Veterans' Affairs.

By Mr. TOLL:

H.R. 4002. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 4003. A bill to provide for the striking of medals in commemoration of the 150th anniversary of the building of Perry's Fleet and the Battle of Lake Erie; to the Committee on Banking and Currency.

By Mr. WHITENER:

H.R. 4004. A bill to amend section 302(h) of the Career Compensation Act of 1949 with respect to the payment of quarters allowances; to the Committee on Armed Services.

By Mr. WIDNALL:

H.R. 4005. A bill to enable the Board of Commissioners of the District of Columbia to aid the arts in ways similar to those in which the arts are aided by other cities of the United States, to provide competitions to encourage young Americans in the pursuit of excellence in the fine arts and to acquaint them with the best of our national cultural heritage, and for other purposes, to the Committee on the District of Columbia.

H.R. 4006. A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. BOB WILSON:

H.R. 4007. A bill to amend chapter 79 of title 10, United States Code, to provide that certain boards established thereunder shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. WYDLER:

H.R. 4008. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. ALGER:

H.R. 4009. A bill to incorporate the Federal Dental Services Officer's Association; to the Committee on the Judiciary.

By Mr. BARING:

H.R. 4010. A bill to provide an adequate basis for administration of the Lake Mead National Recreation Area, Ariz. and Nev., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARRY:

H.R. 4011. A bill to amend the Internal Revenue Code of 1954 to provide a credit against the individual income tax for tuition expenses paid by the taxpayer for his education or the education of any other person, and to provide a credit for certain real property taxes paid for the support of public education; to the Committee on Ways and Means.

By Mr. BATTIN:

H.R. 4012. A bill to authorize the conveyance of all right, title, and interest of the United States in and to a certain island in the Yellowstone River to the State of Montana; to the Committee on Interior and Insular Affairs.

H.R. 4013. A bill to provide compensation to the Crow Tribe of Indians, Montana, for certain land embraced within the present boundaries of the Crow Indian Reservation, for the validation of titles, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BERRY:

H.R. 4014. A bill to amend the Tariff Act of 1930 to impose additional duties on cattle, beef, and veal imported each year in excess of annual quotas; to the Committee on Ways and Means.

By Mr. BRUCE:

H.R. 4015. A bill to promote education throughout the United States by amendments to the Internal Revenue Code of 1954 granting credit against Federal income tax for real property taxes paid for support of public elementary and secondary education; to the Committee on Ways and Means.

By Mr. BURKE:

H.R. 4016. A bill to provide for the coverage of physicians by the insurance system established by title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. CLARK:

H.R. 4017. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of natural resources and recreational areas; and to authorize local area youth employment programs; to the Committee on Education and Labor.

By Mr. CLEVELAND:

H.R. 4018. A bill to authorize establishment of the Saint-Gaudens National Historic Site, N.H., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CONTE:

H.R. 4019. A bill granting the consent and approval of Congress to the northeastern water and related land resources compact; to the Committee on Public Works.

By Mr. DEVINE:

H.R. 4020. A bill to amend title 28, United States Code, to establish certain qualifications for persons appointed as judges or justices of the United States; to the Committee on the Judiciary.

By Mr. DOWDY:

H.R. 4021. A bill to amend the act of April 29, 1942, establishing the District of Columbia Recreational Board, to provide for the use of the Eastern Market at 7th Street and North Carolina Avenue SE., for use as a National Children's Theater and Art Center and a neighborhood recreation center shelter building, to provide additional playground space, and for other purposes; to the Committee on the District of Columbia.

By Mrs. DWYER:

H.R. 4022. A bill to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. EDWARDS:

H.R. 4023. A bill to make the Commission on Civil Rights a permanent agency in the executive branch of the Government; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 4024. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of natural resources and recreational areas; and to authorize local area youth employment programs; to the Committee on Education and Labor.

H.R. 4025. A bill to amend the Social Security Act to assist States and communities in preventing and combating mental retardation through expansion and improvement of the maternal and child health and crippled children's programs, through provision of prenatal, maternity, and infant care for individuals with conditions associated with childbearing which may lead to mental retardation, and through planning for comprehensive action to combat mental retardation, and for other purposes; to the Committee on Ways and Means.

By Mr. FINO:

H.R. 4026. A bill to provide for the establishment of a commission to conduct a national referendum on the question of Federal lotteries, and for other purposes; to the Committee on Ways and Means.

By Mr. FOGARTY:

H.R. 4027. A bill to amend the Vocational Rehabilitation Act to provide services to determine rehabilitation potential, to expand vocational rehabilitation services, to make grants for construction of rehabilitation facilities and workshops, and for other purposes; to the Committee on Education and Labor.

By Mr. GROVER:

H.R. 4028. A bill to amend the Internal Revenue Code of 1954 to provide a 30 percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education and high schools; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 4029. A bill to provide for payment for hospital services, skilled nursing facility services, and home health services furnished to aged beneficiaries under the old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. HAWKINS:

H.R. 4030. A bill to authorize a 2-year program of Federal financial assistance for all elementary and secondary school children in all of the States; to the Committee on Education and Labor.

H.R. 4031. A bill to prohibit discrimination in employment in certain cases because of race, religion, color, national origin, ancestry, or age; to the Committee on Education and Labor.

H.R. 4032. A bill to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. HOLLAND:

H.R. 4033. A bill to prohibit discrimination on account of sex in the payment of wages by employers engaged in commerce or in the production of goods for commerce and to provide for the restitution of wages lost by employees by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. HORTON:

H.R. 4034. A bill to amend the Civil Rights Act of 1957, and for other purposes; to the Committee on the Judiciary.

By Mr. JENNINGS:

H.R. 4035. A bill to establish a land and water conservation fund to assist the States and Federal agencies in meeting present and future outdoor recreation demands and needs of the American people, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOELSON:

H.R. 4036. A bill to amend Public Laws 815 to 874, 81st Congress, relating to construction and maintenance and operation of public schools in federally impacted areas, to deny payments to school districts which are not in compliance with constitutional requirements that public schools be operated on a racially nondiscriminatory basis; to the Committee on Education and Labor.

H.R. 4037. A bill to amend the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 4038. A bill to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of

the country of origin; to the Committee on Ways and Means.

By Mrs. KELLY:

H.R. 4039. A bill to amend title II of the Social Security Act to provide a more realistic definition of the term "disability" for purposes of entitlement to disability insurance benefits and the disability freeze; to the Committee on Ways and Means.

By Mr. KEOGH:

H.R. 4040. A bill to amend section 164(a) of the Internal Revenue Code of 1954, relating to deduction for taxes; to the Committee on Ways and Means.

By Mr. LANKFORD:

H.R. 4041. A bill to authorize the Secretary of the Interior to acquire through exchange the Great Falls property in the State of Virginia for administration in connection with the George Washington Memorial Parkway, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LINDSAY:

H.R. 4042. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. MACGREGOR:

H.R. 4043. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

By Mr. MARTIN of Nebraska:

H.R. 4044. A bill to impose additional duties on excess imports of certain live animals, meats, and meat products; to the Committee on Ways and Means.

H.R. 4045. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption of $1,000 for a taxpayer, spouse, or dependent who is a student at an institution of higher learning; to the Committee on Ways and Means.

By Mr. MATHIAS:

H.R. 4046. A bill to establish the Chesapeake and Ohio Canal National Historical Park, in the State of Maryland, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MATTHEWS:

H.R. 4047. A bill to establish a land and water conservation fund to assist the States and Federal agencies in meeting present and future outdoor recreation demands and needs of the American people, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4048. A bill to establish water resources research centers at land-grant colleges and State universities, to stimulate water research at other colleges, universities, and centers of competence, and to promote a more adequate national program of water research; to the Committee on Interior and Insular Affairs.

By Mrs. MAY:

H.R. 4049. A bill to authorize assistance to public and other nonprofit institutions of higher education, including junior colleges and technical institutes, in financing the construction, rehabilitation, or improvement of needed academic and related facilities; to the Committee on Education and Labor.

H.R. 4050. A bill to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin; to the Committee on Ways and Means.

By Mr. MONTOYA:

H.R. 4051. A bill to extend for 2 additional years the provisions of Public Law 87-276, providing for assistance for training teachers of the deaf; to the Committee on Education and Labor.

By Mr. OSTERTAG:

H.R. 4052. A bill to amend the Civil Rights Act of 1957, and for other purposes; to the Committee on the Judiciary.

By Mr. PELLY:

H.R. 4053. A bill to amend section 8(b)(4) of the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. PEPPER:

H.R. 4054. A bill to authorize the establishment of a Domestic Peace Corps to provide useful opportunities in (1) public service volunteer programs and (2) in public service employment programs; through pilot local public service programs; to the Committee on Education and Labor.

H.R. 4055. A bill to assist in the construction and operation of senior citizens centers and programs of education, recruiting and training for community service, counseling, and other activities in keeping with the needs of older citizens; to the Committee on Education and Labor.

H.R. 4056. A bill to assist in the development of new or improved programs to help older persons, and for other purposes; to the Committee on Education and Labor.

By Mr. PIKE:

H.R. 4057. A bill to amend the Administrative Procedure Act with respect to public statements of Federal agencies which tend to discredit; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 4058. A bill to amend title 18 of the United States Code to provide that the bombing of certain buildings will create a rebuttable presumption that a Federal criminal offense has been committed for purposes of investigation by the Federal Bureau of Investigation, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBISON:

H.R. 4059. A bill for the establishment of a Commission on Federal Taxation; to the Committee on Ways and Means.

H.R. 4060. A bill to amend the Internal Revenue Code of 1954 so as to provide for reform of personal and corporate income tax rates, and for other purposes; to the Committee on Ways and Means.

Mr. RODINO:

H.R. 4061. A bill to accelerate, extend, and strengthen the Federal air pollution control program; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Texas:

H.R. 4062. A bill to amend the act authorizing the transmission and disposition by the Secretary of the Interior of electric energy generated at Falcon Dam on the Rio Grande to authorize the Secretary of the Interior to also market power generated at Amistad Dam on the Rio Grande; to the Committee on Interior and Insular Affairs.

H.R. 4063. A bill to amend title 28 of the United States Code to require that all decisions of the Supreme Court shall be participated in by the full Court, and that any vacancies or absences in the membership of the Court shall be temporarily filled by circuit judges; to the Committee on the Judiciary.

By Mr. ROOSEVELT (by request):

H.R. 4064. A bill to amend the provisions of the National Labor Relations Act which relate to temporary injunctions; to the Committee on Education and Labor.

By Mr. ROOSEVELT:

H.R. 4065. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of natural resources and recreational areas; and to authorize local area youth employment programs; to the Committee on Education and Labor.

By Mr. ROUDEBUSH:

H.R. 4066. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that a fully insured individual may elect to have any employment or self-employment performed by him after attaining age 65 excluded (for both tax and benefit purposes) from coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. RYAN of New York:

H.R. 4067. A bill to establish a Department of Urban Affairs and prescribe its functions; to the Committee on Government Operations.

By Mr. SCHWENGEL:

H.R. 4068. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

By Mr. SENNER:

H.R. 4069. A bill to provide an adequate basis for administration of the Lake Mead National Recreation Area, Ariz. and Nev., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. SULLIVAN:

H.R. 4070. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to the Committee on Banking and Currency.

By Mr. ULLMAN:

H.R. 4071. A bill to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALTER:

H.R. 4072. A bill to amend section 4204 of title 18, United States Code, relating to the conditional release of prisoners who are aliens subject to deportation; to the Committee on the Judiciary.

By Mr. WHITENER:

H.R. 4073. A bill to amend section 10 of the District of Columbia Traffic Act of 1925, as amended; to the Committee on the District of Columbia.

By Mr. WYDLER:

H.R. 4074. A bill to authorize assistance to public and other nonprofit institutions of higher learning, including junior colleges and technical institutes, in financing the construction, rehabilitation, or improvement of needed academic and related facilities; to the Committee on Education and Labor.

By Mr. HORAN:

H.J. Res. 256. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. BERRY:

H.J. Res. 257. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mrs. HANSEN:

H.J. Res. 258. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. HARRIS:

H.J. Res. 259. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. JOHNSON of California:

H.J. Res. 260. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mrs. MAY:

H.J. Res. 261. Joint resolution requesting and authorizing the President to impose an

immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. NORBLAD:

H.J. Res. 262. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. NYGAARD:

H.J. Res. 263. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. PELLY:

H.J. Res. 264. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. WESTLAND:

H.J. Res. 265. Joint resolution requesting and authorizing the President to impose an immediate 6-percent emergency quota on all imports of softwood lumber; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.J. Res. 266. Joint resolution to establish December 15 of every year as Bill of Rights Day; to the Committee on the Judiciary.

By Mr. ANDERSON:

H.J. Res. 267. Joint resolution to authorize the city of Galena, Ill., or an appropriate association or organization of the citizens thereof, to remove to Galena, Ill., the statue of Gen. John A. Rawlins located at Rawlins Park, Washington, D.C.; to the Committee on House Administration.

By Mr. COLLIER:

H.J. Res. 268. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. FLOOD:

H.J. Res. 269. Joint resolution designating the period beginning May 1 and ending May 7 of each year as Correct Posture Week; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.J. Res. 270. Joint resolution designating the 8-day period beginning on the 12th day of October of each year as Patriotic Education Week; to the Committee on the Judiciary.

By Mr. KING of New York:

H.J. Res. 271. Joint resolution extending an invitation to the International Olympic Committee to hold the 1964 winter Olympic games in the United States; to the Committee on Foreign Affairs.

By Mr. LINDSAY:

H.J. Res. 272. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.J. Res. 273. Joint resolution to provide compensation to the Yakutat Local Community of Tlingit Indians of the State of Alaska for the extinction of their original Indian title; to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER:

H.J. Res. 274. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.J. Res. 275. Joint resolution to advance peaceful relations between the United States and the nations of Latin America by means of an inter-American music, drama, and art festival to be held annually in Washington, D.C., and to coordinate cultural exchange programs with the Organization of American States and the Pan American Union, and to implement the recommendations of the U.S. Advisory Commission on International Educational and Cultural Affairs; to the Committee on Foreign Affairs.

By Mr. EDWARDS:

H. Con. Res. 99. Concurrent resolution to favor the establishment of an international living museum of anthropology and ethnography; to the Committee on Foreign Affairs.

By Mr. SCHWENGEL:

H. Con. Res. 100. Concurrent resolution expressing the sense of Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. DINGELL:

H. Res. 260. Resolution creating a nonlegislative select committee to conduct an investigation and study of the aged and aging; to the Committee on Rules.

By Mr. PELLY:

H. Res. 261. Resolution creating a select committee to conduct a study of the fiscal organization and procedures of the Congress; to the Committee on Rules.

By Mr. BOB WILSON:

H. Res. 262. Resolution creating a select committee to conduct a study of the fiscal organization and procedures of the Congress; to the Committee on Rules.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Arkansas, memorializing the President and the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States relating to article V thereof; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to requesting amendment of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Kentucky, memorializing the President and the Congress of the United States relative to urging continued support, through adequate appropriations and allocations, of tobacco research on all kinds of tobacco at the Agricultural Science Center of the University of Kentucky; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to requesting legislation authorizing the Department of the Treasury of the United States to design and mint 500,000 silver dollars in commemoration of the Montana Territorial Centennial and Thanksgiving Centennial; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States relative to urging enactment of the bill H.R. 994 introduced by Congresswoman JULIA BUTLER HANSEN; to the Committee on Interior and Insular Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTIN:

H.R. 4075. A bill for the relief of Noriyuki Miyata; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 4076. A bill for the relief of William Radkovich Co., Inc.; to the Committee on the Judiciary.

By Mr. BURKE:

H.R. 4077. A bill for the relief of Sauley Peter Mahanna; to the Committee on the Judiciary.

By Mr. BURKHALTER:

H.R. 4078. A bill for the relief of Pan Lih Teh, Kathryn L. Pan, Nery Pan, Nilson Pan, and Nelsen Pan; to the Committee on the Judiciary.

H.R. 4079. A bill for the relief of Irene Regine Calef; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 4080. A bill for the relief of Antonio Pellegrini; to the Committee on the Judiciary.

By Mr. DADDARIO:

H.R. 4081. A bill for the relief of Elena Delfino; to the Committee on the Judiciary.

By Mr. DEVINE:

H.R. 4082. A bill for the relief of Robert O. Overton, Marjorie C. Overton, and Sally Eitel; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 4083. A bill for the relief of Cecelia Costa Pereira; to the Committee on the Judiciary.

H.R. 4084. A bill for the relief of Francesco Paolo La Franca; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 4085. A bill for the relief of Tibor Horcsik; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4086. A bill for the relief of Anna C. Devaris; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H.R. 4087. A bill for the relief of E. Arthur Koop; to the Committee on the Judiciary.

H.R. 4088. A bill for the relief of the Industrial Tractors Parts Co., Inc.; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 4089. A bill to provide that the steamship *Glenbrook* may be a U.S. flag commercial vessel for the purposes of section 901(b) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. GREEN of Pennsylvania:

H.R. 4090. A bill for the relief of Domenico Martino; to the Committee on the Judiciary.

By Mr. GROVER:

H.R. 4091. A bill for the relief of Angela Gencarelli; to the Committee on the Judiciary.

H.R. 4092. A bill for the relief of Gioconda Maria Falcone; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 4093. A bill for the relief of Cyla Gurewicz; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 4094. A bill for the relief of Ambrogio Fiorentini; to the Committee on the Judiciary.

By Mr. HOSMER:

H.R. 4095. A bill for the relief of Teresa Novelo de Tapia and Jose Alberto Tapia; to the Committee on the Judiciary.

H.R. 4096. A bill for the relief of Dr. Jovita M. San Pedro Rosenblatt; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H.R. 4097. A bill for the relief of Dimitrios Bountouvas; to the Committee on the Judiciary.

By Mr. JENSEN:

H.R. 4098. A bill for the relief of Soo Hyun Nam; to the Committee on the Judiciary.

By Mr. JONAS:

H.R. 4099. A bill for the relief of Jesse Leigh, Jr.; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 4100. A bill for the relief of Mrs. Gitel Fischer; to the Committee on the Judiciary.

By Mr. KEOGH:
H.R. 4101. A bill for the relief of Gwendolyn Ramsay; to the Committee on the Judiciary.

By Mr. McCLORY:
H.R. 4102. A bill for the relief of Christos George Saldaris and his wife, Olga Saldaris; to the Committee on the Judiciary.

By Mr. McDADE:
H.R. 4103. A bill for the relief of Christos Gouletas; to the Committee on the Judiciary.

By Mr. MADDEN:
H.R. 4104. A bill for the relief of Marie Loray Legister; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:
H.R. 4105. A bill for the relief of Manuel Cabral do Rego; to the Committee on the Judiciary.

By Mr. MULTER:
H.R. 4106. A bill for the relief of Halina Szumilas; to the Committee on the Judiciary.

By Mr. NATCHER:
H.R. 4107. A bill for the relief of Charles Michael Kottiath; to the Committee on the Judiciary.

By Mr. NIX:
H.R. 4108. A bill for the relief of Pellegrino Cari; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:
H.R. 4109. A bill for the relief of Richard H. Marshall; to the Committee on the Judiciary.

H.R. 4110. A bill for the relief of Sister Lourdes Buesa Oliver and Sister Rufina Matilde Gonzalez-Garcia; to the Committee on the Judiciary.

By Mr. OSMERS:
H.R. 4111. A bill for the relief of Michaelangelo Mariano; to the Committee on the Judiciary.

H.R. 4112. A bill for the relief of Dr. Elpidio T. Marcelo; to the Committee on the Judiciary.

By Mr. POWELL:
H.R. 4113. A bill for the relief of Ging Sze Chin; to the Committee on the Judiciary.

H.R. 4114. A bill for the relief of McField and Mavis Bowman; to the Committee on the Judiciary.

H.R. 4115. A bill for the relief of Albert and Zehava Markovits; to the Committee on the Judiciary.

H.R. 4116. A bill for the relief of Panagiotis Vatalidis; to the Committee on the Judiciary.

H.R. 4117. A bill for the relief of (Jimmy) Ching Wu; to the Committee on the Judiciary.

H.R. 4118. A bill for the relief of Victoria Ingrid Cobb; to the Committee on the Judiciary.

H.R. 4119. A bill for the relief of Olga Quashie (also known as Lewis); to the Committee on the Judiciary.

H.R. 4120. A bill for the relief of Gladys I. Broomfield; to the Committee on the Judiciary.

H.R. 4121. A bill for the relief of Carmen Elsena and Clarence Rudolph Chase; to the Committee on the Judiciary.

H.R. 4122. A bill for the relief of Carl McDonald Farrell; to the Committee on the Judiciary.

H.R. 4123. A bill for the relief of Sarah Elizabeth Facey; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:
H.R. 4124. A bill for the relief of Flora and William Bisof; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:
H.R. 4125. A bill for the relief of Theodora P. Andrianakos; to the Committee on the Judiciary.

By Mr. ROSENTHAL:
H.R. 4126. A bill for the relief of Robert Dryland; to the Committee on the Judiciary.

By Mr. ROYBAL:
H.R. 4127. A bill for the relief of Kee Leung Chin; to the Committee on the Judiciary.

H.R. 4128. A bill for the relief of Carlos Chang and Maria Luisa Chin de Chang; to the Committee on the Judiciary.

By Mr. ROBERTS of Alabama:
H.R. 4129. A bill for the relief of Alden Jo Daniel; to the Committee on the Judiciary.

By Mr. RYAN of New York:
H.R. 4130. A bill for the relief of Tomasso Attanasio; to the Committee on the Judiciary.

H.R. 4131. A bill for the relief of Mrs. Percida Cango; to the Committee on the Judiciary.

H.R. 4132. A bill for the relief of Josefa Cantoria Domingo; to the Committee on the Judiciary.

H.R. 4133. A bill for the relief of Fedora Llamas; to the Committee on the Judiciary.

H.R. 4134. A bill for the relief of Josefa A. Salazar; to the Committee on the Judiciary.

H.R. 4135. A bill for the relief of Dr. Restituto S. Ruiz and his wife, Lydia Mallavo Ruiz; to the Committee on the Judiciary.

H.R. 4136. A bill for the relief of Theresita L. Montalan; to the Committee on the Judiciary.

H.R. 4137. A bill for the relief of Zaida F. Tardicella; to the Committee on the Judiciary.

H.R. 4138. A bill for the relief of Mohammed Ali Hussain; to the Committee on the Judiciary.

H.R. 4139. A bill for the relief of Gerasimos Nicolas Koutoufas; to the Committee on the Judiciary.

By Mr. SHEPPARD:
H.R. 4140. A bill for the relief of Alfred Coleman; to the Committee on Interior and Insular Affairs.

H.R. 4141. A bill for the relief of Smith L. Parratt and Mr. and Mrs. Lloyd Parratt, his parents; to the Committee on the Judiciary.

By Mr. TUCK:
H.R. 4142. A bill for the relief of Bobbie Dean Walton; to the Committee on the Judiciary.

By Mr. BOB WILSON:
H.R. 4143. A bill to provide for the advancement of Capt. Cecil Sherman Baker on the retired list to the rank of rear admiral; to the Committee on Armed Services.

H.R. 4144. A bill for the relief of Gordon E. Martin; to the Committee on the Judiciary.

H.R. 4145. A bill for the relief of certain individuals; to the Committee on the Judiciary.

By Mr. CHARLES H. WILSON:
H.R. 4146. A bill for the relief of Stanley Alexander Yhap and Joycelyn Patricia Woo-Ming Yhap; to the Committee on the Judiciary.

By Mr. ROOSEVELT:
H.J. Res. 276. Resolution authorizing the expression of appreciation and the issuance of a gold medal to Eddie Cantor; to the Committee on Banking and Currency.

## PETITIONS, ETC.

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

49. By Mr. BROWN of California: Petition of the Citizen's Committee To Preserve American Freedoms; to the Committee on Rules.

50. By Mr. STRATTON: Three petitions of the Otsego County (N.Y.) Pomona Grange, urging action (1) to protect American farm markets with the European Common Market, (2) to enlarge research into industrial uses of farm products, and (3) to regulate conditions that precipitate strikes; to the Committee on Ways and Means.

# SENATE

THURSDAY, FEBRUARY 21, 1963

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

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

God of the changing years, yet who changeth not: Hallowing Thy name, we would submit ourselves to the test of Thy white, scorching purity with which nothing unclean can live, and to the rebuke of Thy absolute honesty, in the searching scrutiny of which no refuge of lies can stand.

By the judgment of that purity and that utter honesty deliver us, we pray, from the dangerous sophistries which afflict our day, elevating cleverness above goodness, and humor above honor.

We ask Thy benediction upon these servants of the Republic as they ascend this hill of solemn responsibility. Not lifting up their souls to vanity, nor swearing deceitfully, in all their councils keep them near the world's great altar stairs that slope through darkness up to Thee.

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

## THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 20, 1963, was dispensed with.

## MESSAGES FROM THE PRESIDENT

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

## REPORT OF OFFICE OF MINERALS EXPLORATION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs:

*To the Congress of the United States:*

I transmit herewith the Ninth Semiannual Report of the Office of Minerals Exploration from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its territories and possessions by encouraging exploration for minerals, and for other purposes."

JOHN F. KENNEDY.

THE WHITE HOUSE, *February, 21 1963.*

## FEDERAL PROGRAMS FOR OUR SENIOR CITIZENS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 72)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, relating to Federal programs to assist senior citi-