ing this vast Government machine. This must end. Either farmers must get out of the business of grain marketing, or the Government must get out."

The next serious error that I would like to mention was the fact that a large number of States were declared to be feed deficit areas and a preferred freight rate, not available to the cooperative elevators and the private grain trade was established, known as the section 22 freight rate provision.

Great amounts of feed grain moved into the South. This stimulated the poultry industry to vast proportions which, of course, becomes a competitive meat product.

We have recently heard much talk of the chicken war in the world market. I refer to the August 19 edition of the Farmers Union Herald, on page 9, where an article remarks that "chickens come home to roost." This article points out that the sale of Commodity Credit grain at bargain rates stimulated the Common Market countries into a realization of the competition they would have in their domestic market so they adjusted their import levies on feed grain.

Next, the southern broiler producers, who were favored with bargain freight rates and bargain grain, found they could compete in the European market with broilers because of their favored position, until these countries levied high tariffs that started the chicken war.

For many months last year we in this country were engaged in the "chicken war," as the countries of the European Common Market went about the business of deciding that they did not need much of our American-grown poultry. We were losing a great and growing market of substantial importance to some segments of American agriculture, and it was rapidly becoming an important factor in the future of our trade relations and our whole foreign trade. You will remember what happened—we reached a point where it became necessary to threaten retaliation if our American produce was to be cut off. So what did we do? We raised our tariff on French brandy as our big club to win concessions for our chickens.

Well, I don't believe you and I have missed our brandy much, but our poultry producers have missed a tremendously important market, especially as our European friends raised their poultry tariff again recently after we had already been forced into accepting a settlement which nobody could claim was very good for us.

I mention the chicken story for two reasons—one, I'm sure we haven't heard the last of it; and two, I wonder what our Yankee traders will offer to save the livestock industry from collapse—if we trade chickens for brandy, will we trade beef for kangaroo tails?

Is America so rich and so great that it can give endlessly in bad deals, by permitting a billion pounds of beef to be imported without stirring a bureaucratic muscle, by letting ourselves be traded out of position every time we meet with friend or foe?

You and I are deeply concerned about what's happening to our livestock industry, an industry which has managed to feed us well without support prices or controls, an industry which represents $23 out of every $100 in sales of agricultural products, an industry whose declining income not only threatens it with disaster but has been the major factor in driving our farm parity income to its lowest level in 25 years.

FOREIGN TRADE AND TARIFF

Let's start, however, with the realization that we cannot and do not want to eliminate foreign trade, whether it be imports or exports. After all, this country ships some $6 billion in farm products abroad each year, a big 25 percent of our export trade. We sell soybeans and poultry and wheat and cotton and a lot of other basic products of our farms to the peoples of the world, to their great gain and to the advantage of our own economy, and certainly we do not want to cut that vital business from our annual transactions. And we heard a great deal a couple of years ago, when we were debating the new trade agreements act, that new negotiations and new deals would open many doors to many new products and a vast expansion of our foreign trade.

But I well recall how many of us were concerned then, and expressed it over and over again, that our farmers would be left holding the sack when the trading began. And that's the way it is looking, I'm afraid, as we prepare for the spring round of negotiations which have been designated as the "Kennedy round." What is going to happen when these prosperous European countries build their tariff walls higher and decide they don't need our farm products? What will be our fate if the nations down under, which have found the United States to be their best market—having been cut off to some extent from their old channels of trade—persist in flooding us with beef and veal—and who protect their own agriculture 100 percent.

There is no comfort in the comment recently of Senator AIKEN, of Vermont, respected voice of agriculture and one of our most international-minded Senators, when he said, "American agriculture is being traded off for the benefit of our industries."

And there is no comfort in the attitude of our own Secretary of Agriculture who persisted in saying all last year that beef imports were having little or no effect on beef prices. This in spite of the fact that in 1963 our beef imports represented 11 percent of our own production, compared to less than 4 percent a scant 6 years ago. Obviously we can use some imports to match our needs, and perhaps 4 or 5 percent of production is fair enough, but one would have to be blind indeed to contend that letting a billion pounds of beef into the country in a year is having no effect on our own prices.

It is true, of course, that our own livestock population is gaining steadily, as we Americans are now eating twice as much beef per capita as we did a few years ago, and as prices have been attractive. But, as Senator ALLOTT, of Colorado, said in the Senate the other day, "When the number of cattle has increased only 4 percent, it is hard to account for a 25 percent decrease in price."

And then bear this in mind, as Senator STENNIS, of Mississippi, said recently: "Our trade representatives will go to the forthcoming negotiations armed with authority to reduce the present tariff on these meat products by 50 percent, or even to zero."

Well, we've tried—goodness knows, we've tried. We have had to fight the argument that most Australian beef becomes American hamburger, and therefore does not compete with our high quality cuts—silly argument, isn't it, especially when we remember that 30 percent of any fed beef carcass goes into hamburger, whether that beef has talked with an Australian or an American accent.

USDA APATHY

Months ago I pleaded with Secretary Freeman to do something about it. I quoted chapter and verse of the problem, and got no response. I tried again a month later, and got another burst of silence. So next, shortly before we quit to go home for Christmas, I wrote Chairman COOLEY, of the House Agriculture Committee. I told him of the inability to get action or even response from the Secretary; I reminded him of the sharp increase in imports and the sharp decline in prices; I reminded him of the tremendous importance of the livestock industry to the Nation and to the economy.

I can't pretend to guess what will come of it, but I am glad to report that 2 weeks ago one of Mr. COOLEY's subcommittees held the first of a series of hearings, finally delving into this whole subject. Several of your friends from the national organizations were present and took an active part in the discussions. It was my privilege to listen to them, and to join them in subsequent discussions.

So possibly we are on the way to some sort of action. Whether the Congress should insist on applying quotas to livestock imports as the surest way to put the brakes on is hard to predict as yet; I'm sure that if we wait for the slow motion of the Tariff Commission the livestock industry will be as dead as the carcasses you ship to market. But maybe some deals can be made—if our traders will do a better job than they have so far in Europe. Maybe we can get agreements to put voluntary limits on imports which would be adjustable to our needs; and maybe we could even make use of the fact that Australia and some other countries are glad to have quotas of our sugar production and could be talked into a settlement which would be good for everyone.

At any rate, it would seem now, at long last, that our combined efforts are beginning to show some results in the attention the Department of Agriculture is finally giving the problem. Just last week a considerable group of Members of Congress—both Representatives and Senators—met with Secretary Freeman and threshed out a lot of angles of the problem. It is evident that it is now being taken seriously, and perhaps we can hope for sensible action.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 28, 1964

The House met at 10 o'clock a.m.

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

Philippians 2: 5: *Let this mind be in you, which was also in Christ Jesus.*

Eternal God, our Father, Thine is the wisdom that guides, the strength that sustains, and the truth that reveals unto us the deep and satisfying meaning of life.

Grant that we may give unto our blessed Lord the obedience and the absolute right to possess and rule our minds and hearts.

May nothing ever divide or distract our devotion to Him but may we earnestly follow in His way and trust our souls to His keeping.

In these days of strain and stress may we give all that we have of faith and fortitude to establish His kingdom of righteousness and peace.

May the new social order and the better world, which we are striving for, be radiant and fragrant with His spirit and bring us unto oneness with Thy divine will.

To Thy name shall be all the glory and praise. Amen.

THE JOURNAL

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5377. An act to amend the Civil Service Retirement Act in order to correct an inequity in the application of such act to the Architect of the Capitol and the employees of the Architect of the Capitol, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 745. An act to provide for adjustments in annuities under the Foreign Service retirement and disability system.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1309. An act to amend the Small Business Act, and for other purposes.

A BILL TO DENY AID TO ANY NATION THAT DOES NOT MAINTAIN FULL DIPLOMATIC RELATIONS WITH THE UNITED STATES

Mr. SIKES. 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 Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I am preparing for introduction, legislation which would deny to any official of the U.S. Government the right to grant aid or economic assistance to any nation which does not maintain full diplomatic relations with the United States.

There seems to be a question in the minds of some U.S. officials on whether this Nation should continue aid programs to Panama since diplomatic relations with the United States have been suspended by that Latin American Republic. I am certain there is no question in the minds of the American people on this subject. I do not think there is any question in Congress. A continuation of aid to nations who refuse to deal amicably with us in the family of nations would be ridiculous. Panama has been receiving foreign aid from the United States at the rate of $22 million per year. This is only part of the "take" which Panama gets from the United States, but it is a good place to save money.

In the event this legislation should be "lost" in committee, I shall endeavor to add similar language by amendment to bills dealing with the subject of foreign aid when those bills are before the House for action.

CALL OF THE HOUSE

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

The SPEAKER. The gentleman from Wisconsin makes the point of order that a quorum is not present, and evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 16]

Arends	Ford	Morgan
Ashbrook	Hagan, Ga.	Norblad
Avery	Hays	O'Brien, Ill.
Barry	Hosmer	Olsen, Mont.
Bass	Johnson, Calif.	Patman
Blatnik	Jones, Ala.	Powell
Bolton, Frances P.	King, N.Y.	Rhodes, Ariz.
Bruce	Lipscomb	Riehlman
Buckley	McClory	Scott
Cameron	Martin, Calif.	Sheppard
Celler	May	Shriver
Davis, Tenn.	Meader	Steed
Derwinski	Miller, Calif.	Utt
Ellsworth	Mills	Vinson
	Moore	Wallhauser

The SPEAKER. On this rollcall 382 Members have answered to their names, a quorum.

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

AMENDMENTS TO THE DAVIS-BACON ACT

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 582 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6041) to amend the prevailing wage section of the Davis-Bacon Act, as amended; and related sections of the Federal Airport Act, as amended; and the National Housing Act, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield to the gentleman from California [Mr. SMITH], 30 minutes, and pending that I yield myself 8 minutes.

Mr. Speaker, House Resolution 582 provides for consideration of H.R. 6041, a bill to amend the Davis-Bacon Act to include fringe benefits in prevailing wages. The resolution provides an open rule with 2 hours of general debate.

H.R. 6041 proposes amendments to the Davis-Bacon Act which would bring the act up to date by including fringe benefits in prevailing wage determinations. There has been a tremendous change in the concept of earnings since Congress enacted the Davis-Bacon Act. Group hospitalization, disability benefits, and other fringe benefit plans were the rare exception in the 1930's. Today more than 85 million persons in the United States depend upon the benefits they provide. Regardless of the form they take, the employer's share of the cost of these plans or the benefits the employers provide are a form of compensation.

It has become increasingly apparent that if the Davis-Bacon Act is to continue to accomplish its purpose, prevailing wage determinations issued pursuant to the act must be enlarged to include fringe benefits. The act was founded on the sound principle of public policy that the Federal Government should not be a party to the destruction of prevailing wage practices and customs in a locality. Unless the law is amended to provide for the inclusion of fringe benefits in wage determinations, prevailing wage practices and customs will not be reflected in these determinations.

Mr. Speaker, there has been a number of questions raised with reference to this rule, that is, the type of rule which the Committee on Rules has granted on this occasion and which we recommend for adoption here on the floor. This is a completely open rule. There is nothing unusual about it. There was no request to waive points of order, so points of order, if such should lie, are certainly possible to be made. I would like to explain some of the statements that have been made with reference to the way the rule will probably be considered.

Mr. Speaker, I realize all of us have problems this morning, getting in here somewhat earlier and having other business, but I think it would be well for us to bear in mind that apparently the principal issue that will be before us today is actually the adoption of this rule. That is, are we going to adopt the rule here recommended in this House resolution or will the previous question be voted down and the rule amended? So, if you will bear with me just a moment or two I shall try to explain what I understand to be the question at issue with reference to that matter.

Under longstanding rules and precedents of the House where only one section of an existing act is being amended, only amendments to that section or amendments thereto are considered in order. This, as I understand, is completely in harmony with what we do almost daily on the floor of the House. That was the basis for my statement that this is a completely open rule; nothing unusual about it.

To be completely fair and frank, of course, this means, as I understand the rules and the precedents of the House, that other sections of the Davis-Bacon Act will not be open for amendment; that with the adoption of this rule any amendments offered to other sections or titles of Davis-Bacon would probably be ruled out of order. At least that is my interpretation.

So I think it is well that we understand exactly what the issue is. This is not a closed rule as some people have interpreted it. As I say, the Committee on Rules granted the rule that was requested. It was an open rule. It was a rule which did not waive points of order. This rule provides for 2 hours of general debate.

It is my understanding that there has been a feeling among Members of the House that other sections of Davis-Bacon should be examined and studied from the standpoint possibly of amending or changing those sections. It is my understanding that the Committee on Education and Labor has under discussion—in fact are in hearings at the present time—a bill which provides consideration of some of these issues. It would seem to me as a Member of the House that under good practice and procedure it is up to the Committee on Education and Labor, which has jurisdiction over the Davis-Bacon Act, to come out with such a bill rather than to have an attempt made here to open up the entire act and try to rewrite it on the floor of the House, which I do not consider would be good legislative procedure.

So it would be my hope that the House would support the resolution here offered by the Committee on Rules. And therefore, Mr. Speaker, I urge the adoption of House Resolution 582.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I think we all need to understand the intent of the Committee on Rules in offering this rule. I think that will determine to a large extent how some of us vote on the question that will be before us shortly. It is my understanding from the statement of the gentleman that any part of this bill which is added as new material is subject to amendment.

Mr. SISK. That is exactly right.

Mr. JONES of Missouri. I am going to be more specific.

On page 1 of the bill it says:

As used in this Act the term "wages", "scale of wages", "wage rates", "minimum wages", and "prevailing wages" shall include—

"(1) the basic hourly rate of pay;".

Is it the intention of the Rules Committee to permit an amendment to that wording designating who shall determine the basic hourly rate of pay? Would that amendment be in order under the rule that is before us?

Mr. SISK. If the gentleman from California may reply—of course, any amendment offered here is going to be subject to a ruling of the chair. I am sure that the House Parliamentarian might have some ideas on those matters. Actually, the prevailing wage section, as I understand it, is being amended by this bill, H.R. 6041; therefore that amendment to the prevailing wage section of the bill would be in order.

Mr. JONES of Missouri. That would be the intention of the Rules Committee or, at least, the gentleman from California?

Mr. SISK. Yes; as I understand the rule.

Mr. SMITH of California. Mr. Speaker, I yield myself 7 minutes.

Mr. Speaker, House Resolution 582 will provide an open rule, with 2 hours' debate, for the consideration of H.R. 6041—amendments to the Davis-Bacon Act. An identical measure was reported by the Education and Labor Committee in the 87th Congress, but was not heard in Rules. This measure was reported by the Education and Labor Committee on May 20, 1963, and was given rather extensive hearings in the Rules Committee.

The Davis-Bacon Act was enacted in 1931 to protect the prevailing wage standards for laborers and mechanics on Federal construction in local areas. At that time fringe benefits were virtually unknown. But as the years have passed, fringe benefits have come to be generally recognized as a substantial part of the wage compensation of a worker.

H.R. 6041 will require the Secretary of Labor to consider the enumerated fringe benefits plus any bona fide fringes, in his prevailing wage determination under the Davis-Bacon Act.

The new language as set forth in H.R. 6041 will define "prevailing wages" to include:

(1) the basic hourly rate of pay; and
(2) the amount of—
(a) the rate of contribution irrevocably made by a contractor or subcontractor to a trustee or third person pursuant to a fund, plan, or program; and
(b) the rate of cost to the contractor or subcontractor which may be reasonably anticipated in providing benefits to laborers and mechanics pursuant to an enforceable commitment to carry out a financially responsible plan or program which was communicated in writing to the laborers and mechanics affected.

Mr. Speaker, the fringe benefits added and recognized in H.R. 6041 include:

(1) medical or hospital care;
(2) pensions on retirement or death;
(3) compensation for injuries or illnesses resulting from occupational benefits; or
(4) insurance to provide any of the above;
(5) unemployment benefits;
(6) life insurance;
(7) disability and sickness insurance;
(8) accident insurance;
(9) vacation and holiday pay;
(10) apprenticeship or other similar programs;
(11) other bona fide fringe benefits.

But only when the contractor or subcontractor is not required by other Federal, State, or local law to provide any such benefits.

H.R. 6041 further provides that:

The obligation of a contractor or subcontractor under subsection (b) may be discharged by making payments in cash; making payments to a trustee or third person pursuant to a fund, plan, or program; or by the assumption of an enforceable commitment or any combination of the above where the aggregate amount is not less than what is required by the prevailing wage determination.

Mr. Speaker, every Member knows that this is a controversial bill. Supplemental and minority views have been set forth by several members of the Education and Labor Committee. Some of the arguments set forth in the supplemental views are:

(a) The operation of Davis-Bacon has shown many abuses over the years in the administration of the act. Thus a substantial modernizing and revision of the basic act is necessary, and without it, the opportunity for real reform will then be lost. "It should be sent in for repairs before loading it down with additional and even heavier burdens."

(b) For more than 30 years, this act has been administered, interpreted and applied at the sole discretion of the Labor Department. A judicial review provision should be enacted to provide traditional checks and balances. (The Department issues almost 50,000 wage determinations for each fiscal year, containing about 5 million individual wage minimums.)

(c) Such specific abuses as the 30 percent ruling, interpretation of the "area of construction," and failures to provide a fair and impartial hearing procedure has adversely affected community wage structures. (See examples in the report, page 16, on, such as Houston, Manassas, Fremont, etc.)

Minority views by Representative MARTIN of Nebraska and Representative SNYDER, of Kentucky, state that:

H.R. 6041 will result in higher wage rates for construction throughout the country and will increase the cost of these projects. Modernizing amendments should be included rather than this piecemeal approach. All hearings should be completed. In addition, enactment of this bill will result in demand for more fringe benefits.

Representative DOWDY, of Texas, in opposing this measure before the Rules Committee stated that there will be more than $6 billion of public construction next year and that certain necessary changes should be made, such as:

(1) Judicial review should be added;
(2) The 30-percent differential should be eliminated;
(3) There should be a clearer definition of "similar work";
(4) There should be a clearer definition of the "area to be considered"; and
(5) There should be a clearer definition as to what is construction work as opposed to installation work.

As I mentioned, Mr. Speaker, this is a controversial measure. The main controversy according to my understanding revolves around the lack of judicial review—this so far as the Davis-Bacon Act is concerned and also so far as fringe benefits are concerned in the measure which we are now considering.

There has been considerable discussion over the procedure to be considered today and very frankly, Mr. Speaker, I am not entirely certain just what the understanding is. When this matter was considered in the Rules Committee it was my understanding that an amendment to open the entire Davis-Bacon Act to judicial review would not be germane unless the Rules Committee granted a special rule to make it germane. This was not done. It was my further understanding when this open rule was voted out by the Rules Committee, and I believe it was the understanding of most other Members, that an amendment would be germane to offer judicial review so far as fringe benefits are concerned in this bill. Apparently there is some difficulty in preparing appropriate language which will tie down

judicial review simply to fringe benefits. Indications seem to be that the proposed language will probably open up the entire bill to judicial review.

Accordingly, if this is to be done, it will probably have to be done on the basis of voting down the previous question on the rule and if that is accomplished, then amending the rule permitting judicial review to be considered to the entire act. I will yield time to Members to explain their intentions.

So far as I, personally, am concerned, although I do not have a strong feeling one way or another on permitting judicial review so far as fringe benefits are concerned, I do not believe that this vehicle should be used to open up the entire act. Those in favor of doing so have a very practical argument, according to their comments, which is to the effect that unless it is done in this particular bill they will probably never have a chance to do it.

As I understand it, the testimony before the Rules Committee was that such a bill has been introduced by the gentleman from California. It is my understanding hearings will be or are being held on that particular bill. I think that should be done rather than trying to mess it up with this bill here today.

I am in support of the rule. I am opposed to opening up the entire act for amendment. I think H.R. 6041 is good legislation, and I intend to support the bill.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN.]

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. MADDEN. Mr. Speaker, the Committee on Education and Labor is to be commended for holding hearings and favorably reporting H.R. 6041. This legislation has been too long delayed. If enacted into law, it will place all Federal construction contractors on an equal competitive basis, Heretofore, federally financed construction work has been the victim of uncertainty in regard to cost; and in many cases, Federal building construction has been substandard because of fly-by-night contractors and nonunion and inexperienced craftsmen being employed on Federal construction jobs.

The enactment of this bill would eliminate any unfair advantage hitherto enjoyed by contractors who do not pay fringe benefits to employees. The passage of this legislation will not interfere with the prevailing wage rates paid in a community but merely requires imported contractors from other areas and States to pay the minimum prevailing wage rate in the local area and protects local craftsmen and contractors from unfair and in most cases, inferior competition.

The Davis-Bacon Act was originally enacted 33 years ago and has been amended on two different occasions: once in 1935 and again in 1940. The original act established the policy that the Federal Government would not be a party to depressed local labor standards. When the act was passed originally, it was almost unanimously agreed that wage standards in a local community had to be protected from cheap and inefficient labor imported from other areas. Some contractors declined doing business in an area where the cost of living was high, and consequently, increased wage standards were necessary. Further, it was impossible for local contractors to underbid outside contractors who based their estimates for labor upon the low wages they could pay the workmen obtained from a low living cost and low wage locality.

On too many occasions qualified local contractors and local laborers had to stand by while outside contractors and outside labor performed under locally substandard conditions, work which otherwise would have been given to local citizens and taxpayers.

When major construction jobs or other Federal work projects imported prime and subcontractors and also inferior labor, it would not only create dissension between labor and management locally, but would also result in inferior construction and consequently loss to local and Federal taxpayers. In order to eliminate waste and inferior construction and the breeding of labor-management troubles, Congress adopted the prevailing wage principle under the Davis-Bacon Act as public policy for Federal construction. As a consequence, the Davis-Bacon Act was designed to provide equality of opportunity to contractors, to protect prevailing living standards of the build'ng-trades men, and to prevent labor-management disturbance in the local economy and the community. The principle of the Davis-Bacon Act holds as true today as it did in 1931 when the original act was passed by the Congress.

It has become increasingly necessary, if the Davis-Bacon Act is to continue to accomplish its original purpose, to protect the local contractors and workers by including fringe benefits which have been included in labor contracts during recent years. If this pending legislation to amend the Davis-Bacon Act and include the necessary fringe benefits is not enacted into law, the Federal Government will be contributing to labor-management difficulties and promoting dissension and substandard construction on Government projects.

Unless the law is amended to provide for the inclusion of fringe benefits and wage determination, prevailing wage practices and customs will not be reflected in these labor-management contracts on Government projects. Most of these so-called fringe benefits are the health and welfare type. Over 70 percent of the building tradesmen are covered by the welfare and pension benefits.

This legislation will curtail inferior competition by unfair contractors who underbid local contractors who pay prevailing wage rates including fringe benefits on Federal projects.

This legislation came out of the Labor and Education Committee with an almost unanimous agreement that local fringe benefits should be a determining factor in the prevailing wage rate of any community. When the act was passed in 1931, fringe benefits were for the most part unknown. At that time, the worker received a specified wage per day or per hour and that constituted his daily or monthly income. Today, that situation is only part of the protection and income a worker receives on a construction project. Fringe benefits are as important percentagewise to the worker as his wage is to his income for the protection of himself and his family.

I do hope this legislation is enacted into law as is, without crippling amendments which would nullify the real purpose of this bill.

The following are telegrams I have received urging passage of the Davis-Bacon fringe benefits bill:

GARY, IND.,
January 28, 1964.

Hon. Congressman RAY J. MADDEN,
House Office Building,
Washington, D.C.:

In order to correct past inequities of the Bacon-Davis prevailing wage law, preserve the principles of free collective bargaining, and put contractors and other business people who compete for work financed by Federal funds on a more equitable competitive basis and as a means of assuring our Government of superior craftsmanship on all Federal work, the Northwestern Indiana Building & Construction Trades Council in behalf of our affiliated local unions comprising a membership of over 12,000 building tradesmen and their families in Lake, Porter, Jasper, and Newton Counties urgently request the passage of H.R. 6041.

H. R. HEGBERG,
President.

NORTHWESTERN INDIANA BUILDING & CONSTRUCTION TRADES COUNCIL,
C. J. NOWACK, *Secretary.*

JANUARY 25, 1964.

Hon. RAY J. MADDEN,
House Office Building,
Washington, D.C.:

The passage of H.R. 6041, the Davis-Bacon fringe benefits bill, scheduled for consideration by the House of Representatives, Tuesday, January 28, at 10 a.m., is extremely important to over 4 million building and construction tradesmen throughout the country.

Opponents of this legislation say they will offer an amendment to the rule which would reopen the entire Davis-Bacon Act for amendments. The principle vote on the rule will be the motion on the previous question, after debate. Should this motion be defeated, the rule will then be open for amendments.

We strongly urge your presence on Tuesday to defeat this attempt to destroy the Davis-Bacon Act. Your support of H.R. 6041, without amendments, is urgently requested in the best interest of all the building and construction tradesmen in your district and throughout the country.

C. J. HAGGERTY,
President.

GARY, IND.,
January 5, 1964.

Hon. RAY J. MADDEN,
House Office Building,
Washington, D.C.:

I learned that the Davis-Bacon fringe benefits bill H.R. 6041 long held up the House Rules Committee, has been granted a rule by that committee and is now tentatively scheduled for consideration in the House of Representatives on Thursday, January 9, 1964. Labor has known you to be the champion of

all honest and worthy causes of the common citizens. We know of the large flood of mail and the intensity of the pressure brought against your venerable and august group by those with pecuniary interest who bitterly oppose this sensible and reasonable and sound bill. Honest, sincere and conscientious working people hope that Congress will not be dissuaded by the propaganda and opposition to his measure knowing we can depend on your sober and judicious wisdom. Organized labor is awaiting with eager anticipation your favorable consideration of the above-named bill. The membership of local 697 would be most happy to again hear from you.

Your well wisher,

DANIEL GULBAN.

HAMMOND, IND.,
January 27, 1964.

HON. RAY MADDEN,
House Office Building,
Washington, D.C.:

The membership of local union 697 IBEW strongly urge you to support the Davis-Bacon fringe benefit bill H.R. 6041. Passage of this bill will assure the taxpayers of quality construction work for their tax dollar by eliminating fly-by-night contractors and incompetent and inexperienced workmen.

CHAS. O. WILSON,
Financial Secretary.

Mr. SMITH of California. Mr. Speaker, I yield 8 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Speaker, I wish to clarify, at the outset, my position. I am not against the addition of fringe benefits to the Davis-Bacon Act. I am not against the Davis-Bacon Act or the theory of it. I am not against the act, but I want it administered on a fair basis.

I am not before you with an intent to kill the legislation. My intent is to improve it.

The original purpose of the act was to provide that when the Federal Government was involved in a project, the Federal Government would not either deflate or inflate the prevailing local wage rates, it would pay what was prevailing in the local area.

The act has been in operation a long period of time, for some 33 years. It is one of the few acts which does not have provision for going into court for normal judicial review.

Over the period of time involved many things have happened. There have been interpretations which have been a long way from what Congress originally intended.

There has been discussion here about an open rule on this bill. I wish to clarify that. This is an open rule, but there is no way that we can, under the present rule, amend the bill to provide judicial review of the entire Davis-Bacon Act.

We have attempted to prepare a judicial review amendment to apply only to the fringe benefits section, yet we have been told that this might well be subject to a point of order. At any rate, judicial review should apply to the entire act.

The only course left open to us, under these circumstances, is to ask the House to vote down the previous question and to amend the rule to specifically make in order an amendment which would provide for judicial review of all Davis-Bacon determinations.

This is a key point.

It has been said that this is not a good way to legislate, that we should consider judicial review in the subcommittee and in the full committee, and a bill along those lines should be reported to the House.

I wish to say that in 1962, for 2½ months the subcommittee, under the chairmanship of the gentleman from California [Mr. ROOSEVELT], held hearings on the administration of the Davis-Bacon Act. I was a member of that subcommittee. I hold a copy of the hearings in my hand. Hearings were held on June 13, 14, 15, 20, 21, 25, 26, and 27, and July 12, 13, 18, 24, 26, 27, and 31, and August 7, 1962.

The subcommittee went into great detail as to the whole question of the administration of the Davis-Bacon Act and judicial review. It was conceded by all on both sides of the aisle, I believe, that there were many discrepancies, many distortions of the intent of the law, many instances of administrators ignoring the facts as to prevailing local conditions. We wrote a very complete record of this.

If Members have any doubt about that, I ask them to read the minority views. We have given detailed examples there. For example, the Quantico case, in which the cost to the Federal taxpayers was more than $1 million because of erroneous findings, and the Houston Manned Spacecraft case, in which the additional cost was more than $2 million. In neither case was there any recourse after the Administrator had made a decision.

A decision could be in error. There is no way to get that into court. We had a bill introduced by the gentleman from California [Mr. ROOSEVELT] in June of 1963 on this.

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

Mr. GOODELL. I yield to the gentleman from Georgia.

Mr. LANDRUM. There is no way to get a decision of the Administrator into court under the present act. As I interpret the gentleman's remarks, any effort to amend this bill to provide for judicial review will not be in order under this rule. Is that correct?

Mr. GOODELL. That is my understanding.

Mr. LANDRUM. So we are faced with the proposition of continuing in force what prevails today; no review from an administrative ruling or else vote down the previous question. Is that correct?

Mr. GOODELL. That is correct.

Mr. Speaker, let me appeal to all the Members. This is not a question of being for or against the unions; it is not a question of being for or against the Davis-Bacon Act. I, who believe very deeply in the Davis-Bacon Act, am convinced that unless we amend this act to permit judicial review, the act is going to be in great jeopardy in the years ahead. This is something that is basic to our system. The Davis-Bacon Act is the only Federal wage-fixing law on the books where you do not have a provision for aggrieved parties to get into the court and let the judge tell them what Congress meant when it wrote the law. It is the only wage-fixing law where this is not true.

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

Mr. GOODELL. Yes. I will yield to the gentleman from Pennsylvania.

Mr. DENT. The question I would like to pose is how would you have a predetermination of a prevailing wage in any given contract if a contractor takes a business gamble or a risk and bids below the predetermined wage set by the Wage Board?

Mr. GOODELL. The gentleman knows how this will be done. The bill H.R. 9590 has been introduced. The procedure for judicial review is quite clear. It is workable, and it can be done. It has been analyzed on all sides. We have had discussions of it in many quarters, and we will debate that. All I am saying here is that we ought to have an opportunity when the bill comes up for consideration of the House to offer this amendment, to explain to the Members how judicial review would work. We will listen to your side of it, if you think it will not work, but you are apparently arguing that we should not even have the opportunity to present a judicial review amendment.

Mr. DENT. Is that not another bill?

Mr. GOODELL. I will not yield any further at this point, because the time is short. We can debate the details and the merits of the particular judicial review amendment if the House gives us that opportunity by amending the rule.

Mr. DENT. That will have nothing to do with this legislation.

Mr. GOODELL. It certainly does.

Mr. Speaker, this Davis-Bacon Act is the only wage-fixing law on the books where if parties affected disagree—and I mean employees, union members, contractors, or anybody else affected by a determination in the Labor Department, if they do not like determinations—they have no recourse. They cannot go into court to get an interpretation by a judge as to what this means. If we ever had a dramatic illustration of the importance of judicial review and our court system, you will see it if you look at these hearings. You will see the many distortions and discrepancies that develop because the administrators can do anything they want to. They are all-powerful, and there is no recourse to any other form. They try to be fair. It is not the fault of the administrators themselves. The law is defective in this respect, and we should correct it.

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

Mr. GOODELL. Yes, I will yield to the gentleman from Georgia.

Mr. LANDRUM. That is not true of the Wage Administrator of the Fair Labor Standards Act, is it?

Mr. GOODELL. It is not.

Mr. LANDRUM. Assuming the administrator of the Fair Labor Standards Act makes such a determination.

Mr. GOODELL. That is correct. Judicial review is provided under the Fair Labor Standards Act. And the Walsh-Healey Act has judicial review in it. As a matter of fact, a very important decision has just been made in the Baldor

case in the Circuit Court of Appeals for the District of Columbia with reference to Walsh-Healey.

Mr. SMITH of California. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, I rise and speak as one who believes in the Davis-Bacon Act. In my view, the fundamental concept underlying the Davis-Bacon Act is sound. When the Federal Government engages in construction in a local community, I believe the Federal Government should make certain that the prevailing wage rates in that community are paid. The Federal Government should not be an instrumentality for either inflating or deflating the prevailing local wage rate. The sound principle underlying the act and the purpose of the act is to protect local workers and local contractors.

The Davis-Bacon Act is good legislation only if it is properly administered. Unfortunately, over the years because of the way the act has been drafted, the Labor Department has had complete and absolute authority to interpret the act and to determine prevailing rates without the check of judicial review. When the Labor Department makes a mistake, arbitrarily or otherwise, there is nothing that a local school board, or a local hospital board, for example, can do about it. Under the language of the act, there is no way to appeal from erroneous interpretations and applications by the Labor Department.

Let me refer to a specific example of a serious abuse, and I remind you that this is but one of the many examples developed in our committee. The Federal Government was to construct some Capehart housing at Quantico, Va. The Davis-Bacon Act requires that the contractor pay the prevailing rates "in the city, town, village, or other civil subdivision of the State" in which the buildings were to be located.

The text of the Davis-Bacon Act specifically requires that the prevailing rate be determined on basis of wages paid within the State where the construction is to take place. In that case, the Labor Department determined that the rates applicable in Quantico, Va., were those paid in Washington, D.C. In other words, despite the clear language of the act, the Labor Department went outside the State of Virginia to determine what were the prevailing rates in Virginia.

Any lawyer, any judge, any layman who can read plain English would say that this was an arbitrary and erroneous interpretation of the Davis-Bacon Act. This erroneous interpretation, according to the Comptroller General after an investigation, resulted in increased cost to the taxpayers of more than $1 million. But as the law is written, there was nothing that anybody could do about it.

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

Mr. GRIFFIN. I yield to the gentleman.

Mr. LANDRUM. Mr. Speaker, in connection with what the gentleman from Michigan has said about increased costs of construction, I wonder if the gentleman would permit me to bring to the attention of the Members of the House a case of the construction of two school buildings in Selma, Ala., in 1955, by the same contractor, in the same year, with the same employees. On one of the school buildings the contractor built there was nothing but Alabama money used while on the other building the money came from the Impact Law, Public Law 815 or 874. In determining the prevailing wage on the one that had Federal money we found this: Where only Alabama money was used, for carpenters, the wage rate was $1.75 an hour. On the building where Federal money was used it was $2.25 an hour. The same contractor, the same employees, the same town, and the same sort of work.

For concrete finishers, on the first building, where there was no Federal money, the rate was $1.75 an hour and on the second, where Federal money was used, it was $2.85 an hour, a difference of $1.10 because they were using Federal money.

There is no argument whatever against a man making as much money as possible. But we should not permit under Federal law a condition that simply would put construction costs completely out of line with what is the prevailing wage in the locality and then not even have the opportunity to review the action of the Administrator.

Mr. GRIFFIN. Mr. Speaker, I thank the gentleman for his contribution. I should like to remind the leaders of our great international labor organizations, as well as the Members of the House, that there is no judicial review of the Labor Department determinations when they set wage rates too low.

Some day, I predict, that the leadership of the same international unions which today are opposing any type of fair judicial review, will some day be seeking judicial review of the Davis-Bacon Act because it is right and it should be accomplished.

This would not be such a serious problem, I suggest to the Members of the House, if we were talking only about those situations where the Federal Government pays the full cost of constructing a Federal building or public work. The application of the Davis-Bacon Act was so limited when the law was first enacted in the thirties; but it should be kept in mind that the application of the act has been greatly expanded so that it now applies to many programs to which the Federal Government contributes only part of the construction cost. Last week we had the Library Services Act. Earlier in this Congress, we enacted the College Facilities Act. There is the Hill-Burton Hospital Act. The Davis-Bacon Act applies to all of these programs, and more. If we are going to require that the Davis-Bacon Act apply to these programs—and I think we should—we should also provide a procedure for judicial review of Labor Department interpretations.

Do not content yourself with the consolation that maybe next week or 3 months from now the Committee on Education and Labor is going to come out with a bill providing for judicial review. I predict that if the bill on the floor today passes without an amendment providing for judicial review, you are not going to see a judicial review amendment to the Davis-Bacon Act enacted in this Congress, or very likely during your service in Congress. We have a responsibility and an opportunity to adopt a judicial review amendment here today.

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

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

Mr. HOLLAND. Is the gentleman spelling out to the House the difference between Republican Secretaries of Labor and Democratic Secretaries of Labor?

Mr. GRIFFIN. No, not at all.

Mr. HOLLAND. You have said in so many words to that effect.

Mr. GRIFFIN. May I say to the gentleman that some of the interpretations by the Department of Labor under the last Republican administration were erroneous, I am sure. In fact, I believe that the Quantico case to which I made reference came up during a Republican administration. So I do not make a partisan point at all.

Mr. SISK. Mr. Speaker, I yield 7 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, may I first point out that the debate up to this point has been largely about a matter which is not in this bill under consideration here today. The debate up to this point has been on the merits of a proposition which perhaps has some merit. I am not saying it does not have some merit. I am simply saying if you will read the supplemental views signed by my colleagues on the minority side of the aisle, and I will read them in debate after the rule is adopted, I believe you will find they are in agreement that the bill before us today is a good bill.

What are they asking? What is all the fuss about, then? They are asking that we now open up this bill so that sitting here in the Committee of the Whole we may do the job of the Committee on Education and Labor instead of letting the committee do it in the orderly processes, which I am sure everybody in this House fully understands.

Mr. Speaker, I want to point out how really unfair this is. It was only last week that the committee itself held hearings with the Solicitor of the Department of Labor on a new administrative review provision, which they did put into practice, because the Department believes that when you have 50,000 adjudications a year covering 5 million individual instances you cannot as a matter of practice go to court in that number of cases without destroying the effectiveness of the act itself.

I think our colleagues on this side of the aisle and my ranking majority member would agree that even that regulation may need strengthening. That is why we are holding hearings. Why do we want to come to this House on a matter that has all this support and simply

try to do the job of the committee, when you know we should hold hearings on it, when we intend to hold hearings on it?

My friend has said he stands in the well of the House and predicts there will be no bill. I can only stand in the well of the House and predict to you there will be a bill.

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

Mr. ROOSEVELT. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I just want to remind the gentleman that I predicted there would be no bill enacted.

Mr. ROOSEVELT. That is a different prospect. After all, I cannot say whether there will be a bill enacted by the House. I am giving you my word that our committee—the members of my committee are here—will hold these hearings and we will then proceed to give the House something that the House will pass on. That is the job of the committee, I submit to my friends.

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

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

Mr. DENT. Is it not true that the Goodell bill, which I think is H.R. 9590, was in our committee? There has been no determination to set that bill aside. In fact, we have already discussed the possibility of holding early hearings on it, as I understand it. It deals with this subject alone.

Mr. ROOSEVELT. That is quite correct. My friend knows we did hold a hearing last week on this related subject, because it is debatable whether you want administrative review or you want judicial review. The committee has to make that fundamental determination. Yet the gentlemen over here who have argued against this bill, it seems to me, are wholly incongruous when the supplementary views of the minority—I will not read it all—state:

> Therefore, we believe the present law should be amended to permit the inclusion of fringe benefits when the prevailing wage is determined.

That is not the majority speaking, that is the minority speaking. That is all this bill does.

What you are being asked to do is to say you cannot improve an act unless you improve all the act. You know, and I think it is quite fair to say, we would have very little progress in the Congress of the United States if we said we would never go forward to improve an act unless we covered all the mistakes we know about the act, particularly when there is really an honest difference of opinion as to the best way to do these things.

On this matter there is no difference of opinion, yet my friends want to go on and delay this until they can have an opportunity to debate on the floor this other measure.

The gentleman from Missouri [Mr. JONES] asked whether it would be in order to offer an amendment to the bill relative to section 1, which states that the wages shall be determined by the Secretary of Labor. I want to assure him that that would be in order. It is an amendment to section 1, which this bill is about, then there would be no objection on this side to such an amendment. I do not say to him we are going to support that amendment, but we certainly would have no objection to its consideration.

So, if I may take just 1 minute to go back, I think there can be no question that the fringe benefits this bill calls for are thoroughly justified. We do not say that fringe benefits are imposed on anybody. I want to make this very clear to my friends from the South. If you do not have in your community a prevailing wage which includes fringe benefits, there is no compulsion in this bill to include any fringe benefits.

In other words, this is to be a prevailing practice in your community or this will not in any way affect you in your community. What could be more fair than that?

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman.

Mr. SMITH of Iowa. When I was on the gentleman's subcommittee, we discussed the possibility of making these determinations on the basis of the labor market area rather than on a civil subdivision basis. Will this matter also be taken up later?

Mr. ROOSEVELT. Let me assure my friend that subject is a most important subject. It is another part of this question and deserves consideration. Again we need, and I am sure the gentleman will agree—again we need to hold hearings on it and we need to get the facts. We intend to do this and we will do it.

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

Mr. SMITH of California. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. MARTIN].

Mr. MARTIN of Nebraska. Mr. Speaker, all we are asking today in requesting that you vote down the previous question is to give the House an opportunity to work its will in regard to the Davis-Bacon Act. This is a most important consideration, the consideration of a judicial review amendment. The Federal Government today is the largest single factor in the construction industry in the United States, and directly and indirectly they control millions and billions of dollars of construction where every single workingman in the construction industry in this country is vitally affected.

As the gentleman from New York stated, testimony was taken in the year 1962 by our subcommittee over a 3-month period. There were 21 days of hearings and the judicial review procedure was openly discussed by many of the witnesses.

I have here before me the report of those hearings on the administration of the Davis-Bacon Act published some months later after the hearings were concluded in 1962. This booklet was published in 1963.

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

Mr. MARTIN of Nebraska. I am glad to yield to the gentleman.

Mr. GOODELL. The gentleman is on the subcommittee. I think it should be clarified right here, and the gentleman from California, the chairman of the subcommittee I am sure would confirm it, that we on the subcommittee wanted judicial review considered in the hearings on this bill. We requested a single Davis-Bacon bill that would include reforms of the act as well as fringe benefits and judicial review. We wanted a judicial review amendment in this bill in the subcommittee, but it was ruled out of order. When we asked questions of the witnesses on the Davis-Bacon bill about the judicial review matters, we were ruled out of order in asking questions about judicial review. We have tried throughout these proceedings to bring the question of judicial review before the Congress through the subcommittee procedure, but it was not available to us. The gentleman from California [Mr. ROOSEVELT], has talked about holding hearings. He has just started them again. We all know as a practical matter that no meaningful reforms or judicial review are going to pass after fringe benefits are cleared through Congress. We held hearings for 2½ months on the administration of the Davis-Bacon Act in the summer of 1962.

This has resulted in no bill and no marking up or anything to reform the administration of the Davis-Bacon Act. This just is not going to happen. It has been made very clear that the only way to get this is through this procedure.

Mr. MARTIN of Nebraska. The gentleman from New York is absolutely correct.

I would like to quote, Mr. Speaker, from this report of these hearings. The hearings were held in 1962. This report, of course, was written by the staff on the majority side.

This is on page 15, under the title, "Review of Determinations Made by the Secretary of Labor."

I read from the report:

> One of the most disturbing points developed by testimony at the hearings was the lack of any formal mandatory procedures for reviewing the determinations made by the Department of Labor under the Davis-Bacon Act and the other statutes subject to Reorganization Plan No. 14 of 1950.

Then, two paragraphs later, is the following:

> The hearings were replete with requests to the subcommittee that some kind of judicial review be established for the Davis-Bacon Act.

That is in the report published, after being written by the chairman of the subcommittee, yet the House is to be denied today an opportunity to work its will, to bring judicial review into this most important act, despite the fact that the subject was thoroughly discussed in all the hearings in 1962. We have had an adequate discussion of this subject. We have had adequate consideration of it, and the House should be able to work its will today on this procedure.

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

Mr. MARTIN of Nebraska. I yield to the gentleman.

Mr. GOODELL. Mr. Speaker, would the gentleman agree with me that as a practical matter—and we all wish to be practical—although we would all prefer not to have to vote down the previous question in order to make the amendment in order, that will be necessary under this procedure. We would all prefer to offer an amendment for judicial review in the subcommittee, and to have it follow the regular processes, but as a practical matter we face a situation in which there are elements in our society—and I will not go beyond that—which want fringe benefits added to Davis-Bacon but do not want judicial review. They do not want any reform of the act.

As a practical matter, what will happen if we pass the bill for fringe benefits is that those elements of our society will then turn around and oppose any change in the framework of the Davis-Bacon Act and any reform of the act.

I believe the gentleman from California [Mr. ROOSEVELT] is quite sincere about wanting to do something about the administration of this act, but, as a practical matter, this procedure today is the only way we can do it.

Mr. SISK. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. PUCINSKI].

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

Mr. PUCINSKI. I yield to the distinguished majority leader.

Mr. ALBERT. I have read the rule. It is the normal type of rule provided for the consideration of legislation of this kind.

I ask the gentleman from Illinois if it is not true that if we depart from this procedure we will be departing from our historic practice as to germaneness? Of course, the House does not have authority to work its will on everything on every bill under every rule. We are considering a certain phase of the Bacon-Davis Act under this rule and we should proceed accordingly and adopt the previous question on the rule and the rule itself.

Mr. PUCINSKI. The gentleman is correct.

Mr. ALBERT. There are limitations on what can be done under any rule and that is the normal procedure of the House.

Mr. PUCINSKI. The gentleman is absolutely correct.

Mr. Speaker, it is obvious from the debate we have heard so far that there are many defects in the Davis-Bacon Act.

The gentleman from New York is correct in what he has cited from the hearings of our committee.

But the gentleman is also aware of the fact that the Department of Labor has recently published a whole series of revisions, which are in the Federal Register, which are now being considered by our committee. These revisions in administration of the Davis-Bacon Act proposed by the Labor Department itself are the direct result of the hearings and activities of our committee's hearings.

I cannot think of anything which would be more catastrophic to the cause of labor-management relations in the building industry than for the House to vote down the previous question at this time and to open this bill to massive revision at this time here on the floor of the House, when both the gentleman from Michigan and the gentleman from New York know that we are now in the process of holding hearings on the administration of this bill in the committee.

I happen to agree with my colleague from Michigan that the Department of Labor has gone way off the reservation in seeking precedents to establish prevailing wage scales.

I happen to agree with the gentleman that the committee ought to redefine these areas more precisely.

But I do not agree with my colleagues from New York and from Michigan that a judicial review procedure would give us the relief we are seeking. Judicial review cannot deal with this subject. The courts cannot go beyond what is in this law. Until we have perfected the law to more precisely define the areas within which the Department of Labor can operate; how far could the Department of Labor go in seeking precedents for prevailing wages; until we spell out the intent of Congress in the very complicated area, the courts cannot go beyond what the Congress has provided or failed to provide in determining prevailing wage standards. For the Congress now to vote down the previous question and permit consideration and possible adoption of judicial review under the present law would create a degree of confusion in our district courts unprecedented in the courts' history. Only by rewriting the basic standards in the act can we bring the relief to those of you who have criticized the bill, and quite properly. However, this is not the place to do it today. Today we are here for one purpose. That is to find out whether 33 years after this bill has been adopted, fringe benefits should today be included in a wage determination. That is the only question before this House. There is nothing before us today to show any bad faith on the part of the committee, either on the part of the majority or the minority. We are going to come before this House in a reasonably short time with a whole series of recommendations. These recommendations are going to be based on a study of the regulations and procedures of the Labor Department, which has, as the gentleman knows, published a whole series of these new regulations in the Federal Register and which are now under consideration by both the Department, which is going to have public hearings on these regulations, and also by our committee. So, my friends, I say to you, with all due respect, to vote down the previous question in order to offer amendments to the bill beyond the scope of the fringe benefits, which is the basic question involved here today, is really to provide a ruse with which to defeat the fringe benefits proposal. I say to those of you who realize the American worker in the building trades who is getting fringe benefits certainly deserves some consideration in preserving his job opportunities when bidding on a Federal contract. I hope the previous question will be voted up and we will proceed in an orderly manner to approve this very important and desirous legislation. I hope we will trust the committee that we are going to come back here with a broadened bill, which will deal specifically with the shortcomings of the present act.

Mr. SMITH of California. Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL of Virginia. Mr. Speaker, I join with those of my colleagues who insist that the so-called Davis-Bacon Act must be reviewed and revised in its entirety before considering amendments that may further compound the inequities that have resulted from its administration over the last 30 years.

The intended purpose of this law was to assure that Federal construction in a given locality should neither raise nor lower the local wage scale. Administrative procedures adopted by the Labor Department have flagrantly violated this concept. Under this act, the Secretary of Labor has become a virtual czar in wage determination matters.

Furthermore, judicial review has been denied under this law, thus evading our basic concept of checks and balances. The numerous administrative mistakes and abuses are immune to examination by our courts, thus placing employee and employer alike at the mercy of the executive branch of the Federal Government.

In studying the findings of the subcommittee that investigated the operation of the Davis-Bacon Act, I was frankly appalled at how numerous and varied these mistakes and abuses have been over the years.

It is obvious that the amendments before us would extend these Federal controls and abuses in the construction industry even beyond their present excessive scope.

It would also seem to me that the inclusion of so-called fringe benefits in wage determinations establishes a precedent of staggering magnitude. These amendments would in effect place the Congress on record as asserting that, by definition, certain benefits accruing to wage earners are in fact income. Would this not be an open invitation to the Internal Revenue Service, for instance, to promulgate regulations that would make these benefits subject to taxes?

The trend of that Service and the recent administration has been in that direction. It would be inconsistent for an administration that asks on the one hand for tax relief and on the other asks to expose the wage earner to an expanded taxable income. I suggest, Mr. Speaker, that the proposals before us may well be the opening of a Pandora's box.

Mr. SMITH of California. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, on page 2, the bill before the House it enumerates a number of fringe benefits, and then it says, "or other similar programs, or for other bona fide fringe benefits." Obviously, this is very vague and indefinite language which leaves much room for interpretation. If we are going to include such language in a law, certainly we ought to give parties affected by it recourse to the courts.

Let me make it clear that I favor the purpose of the bill before the House, and that I shall vote for this fringe benefits bill if we are successful in voting down the previous question on the rule in order that an amendment to provide judicial review can be adopted. If we do vote down the previous question, then those of us who are for judicial review and for the inclusion of fringe benefits will have an opportunity to vote for a bill with both provisions in it.

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

Mr. GRIFFIN. Yes, I will yield to the gentleman from New York.

Mr. GOODELL. The gentleman agrees that the fringe benefit section of this bill is adding a very heavy and difficult burden to the administration of the act. It is very complicated and, without any recourse to the courts, this may get even farther away from the original intent of Congress. It is just like adding an extra load to a rickety automobile that is falling apart. We should fix up the automobile before we add this load to it.

Mr. GRIFFIN. I agree with that.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. Mr. Speaker, I yield 4 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Speaker, many of the arguments that have been used by the opposition today have been used over the years several times. The Quantico case was aired on this floor at least twice to my knowledge and the House voted on that particular problem. There was nothing unusual in that case at all. It was found at the time that the labor supply was not available in the area surrounding Quantico and they had to come to the city of Washington to get qualified personnel to do the job.

The job that was mentioned in Houston was not a question of wages at all but was a question of whether it was heavy construction in the highway or light construction. That determination was made by the Secretary of Labor.

I cannot understand the Republicans fighting the Davis-Bacon Act. In the first place, this act was originated under the administration of Herbert Hoover back in 1931. Both Mr. Davis and Mr. Bacon were Republicans, and under the Eisenhower administration we had one of the fairest Secretaries of Labor we ever had, Mr. Mitchell.

He defended this bill from top to bottom and while he was in office there was no attempt by the Republicans to emasculate the Davis-Bacon Act, as they are trying to do today. Let us make no mistake about it. If you vote down the previous question on the rule it will be an antilabor vote. You will be voting against the building trades of America, who I think are the outstanding labor unions in this country. They are the most stable. They have friends on both sides of the aisle. In my opinion it would be strictly an antilabor vote.

What will the Goodell amendment do? This is what it will do. It will allow any contractor or subcontractor, bidder or prospective bidder, employee or prospective employee and, so far as the bill is concerned, almost anyone who regards himself adversely affected by the Secretary's wage determinations to go into court and stop that project cold.

And what will the court do? It will consider, from the very beginning, what wage determination is appropriate for this project, an area in which they would have no competence at all. The court will disregard entirely what the Secretary did; reexamine all the evidence upon which the Secretary made his determination; and it may disregard any established practice, policy, or rule on which the Secretary acted. This phrase "judicial review" is an appealing concept, but it is not practical. Its purpose is to try to drive a wedge into the effective operation of the Davis-Bacon Act which has been in existence for the past 30-some years. In all the arguments made by the opposition to this program today, including that made by the very able gentleman from Michigan, about what are considered to be fringe benefits, he knows very well under the parliamentary situation that he can offer any amendment to restrict the fringe benefits. But who are we today to tie down what fringe benefits may be gained through collective bargaining in the next 2 or 3 or 4 or 5 years?

This rule is not restrictive at all as far as fringe benefits are concerned. Anyone can offer an amendment with respect to them.

So, Mr. Speaker, I hope the previous question will be ordered. If we vote the other way it would be strictly an antiunion vote.

Mr. BELL. 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 California?

There was no objection.

Mr. BELL. Mr. Speaker, the Davis-Bacon Act was originally enacted in 1931. It was amended to its present form in 1934 and in 1940.

The act requires contractors and subcontractors working under Government construction contracts to pay wages that are not less than the prevailing wages for laborers and mechanics on projects of a similar character in the locality.

Prior to this act qualified contractors doing business in an area of high wage standards found it impossible to compete with outside contractors who based their cost estimates on lower wage workers obtained from another locality or even another State. Thus the Federal Government was party to depressing local labor standards.

The authors of the bill were Congressman Robert Bacon, Republican, from New York, and Senator James Davis, Republican, from Pennsylvania.

In principle, I favor the Davis-Bacon Act, and fringe benefits being made a part of the act.

The basic act, however, badly needs a thoroughgoing revision and updating.

Although numerous changes have occurred in the economic world that the act seeks to regulate, no basic legislative changes have been made to Davis-Bacon since its original passage.

Most important has been the tremendous change in the concept of earnings since 1931.

Group hospitalization, disability benefits, and other benefit plans were rare exceptions 30 years ago.

Today more than 85 million persons depend upon them.

Reforms are badly needed, and I support judicial review.

In fiscal year 1964 total Government expenditures for construction are expected to exceed $8 billion.

Civilian public works expenditures will be in the neighborhood of $6½ billion.

Every indication is that Government construction will continus to increase in the years ahead.

As further proof, you will note the number of wage determinations has increased tremendously each year.

This is illustrated by the tables compiled in the supplementary views section of the report.

The amendments proposed by H.R. 6041 are aimed to bring the Davis-Bacon Act up to date by including fringe benefits in prevailing wage determinations.

But standing alone, I am convinced H.R. 6041 would not resunlt in the basic reform needed in the act.

Without more, we would be in for a continuation of the same type of administrative inefficiency that has recently concerned our committee.

Though the changes included in H.R. 6041 are necessary, there is a more fundamental and underlying need in the act. The real need is for judicial review.

Almost every act of this type provides some form of court review.

The Walsh-Healy Act, the Taft-Hartley Act, and the Fair Labor Standards Act each has such a provision. There is then a great deal of precedent for judicial review.

Moreover, it is in keeping with the generally accepted view in this country that an individual who has been charged with the violation of a law should have his day in court.

The lack of judicial review in many cases works to the detriment of the very workers which the Davis-Bacon law was established to protect.

For example, the building trades were terribly concerned about the outcome of the Malstrom case.

In that decision certain work was found by the Department of Labor to be "the installation of equipment" and not the type of construction work which was subject to Davis-Bacon.

Had judicial review been available the matter would surely have been reviewed in court to the satisfaction of all parties.

The hearings are replete with examples of the shortcomings of the Davis-Bacon Act.

The vague criteria for wage determination that it outlines, coupled with absolute power of decision vested in the Secretary of Labor, has simply not led to equitable results.

The following cases graphically indicate this:

First. At the Houston Manned Spacecraft Center, the Corps of Engineers was overruled by the Labor Department in establishing the prevailing wage rate.

The Labor Department's rate was higher.

The result was that many of the local firms were financially unable to compete for the project.

An out-of-State firm won the contract and the cost of the job was increased by over $2 million.

Second. In Manassas, Va., it was found that the Labor Department had used the wage rates of the Washington, D.C., area in its determination of prevailing wages for the construction of a sewage plant.

Only upon the intervention of a Congressman was that situation corrected.

Third. The weaknesses of the Davis-Bacon Act are brought home most emphatically by the so-called Quantico case.

In a 60-page report the Comptroller General of the United States pointed to the failure of the Department of Labor to use the prevailing wages of the locality.

The report concluded that the rates used were indicative of those negotiated in Washington and not at all characteristic of Quantico.

Equity was not achieved in the foregoing examples and it is equity that judicial review seeks to insure.

For a single administrator to be the judge, jury, and the prosecutor is intolerable.

A single human cannot be expected to mete out justice in all cases.

Our system was never meant to operate this way and it is for us to see that it does not.

Presently, neither employers nor employees have any recourse except to beg the mercy of the Secretary or prevail upon their Congressman to intercede.

This situation is neither fair nor is it logical. The inequities are obvious and so are the inefficiencies. Neither can be tolerated. Law without judicial appeal is functionless.

It is my belief that the amendments under H.R. 6041 accomplish only half the job. To give them real strength judicial review is necessary.

Mr. O'KONSKI. 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 Wisconsin?

There was no objection.

Mr. O'KONSKI. Mr. Speaker, when the Davis-Bacon Act came into being, fringe benefits were the exception, not the rule. It therefore made much more sense at that time to base a prevailing wage concept upon the cash wages that a worker received.

Today, the exception has become the rule. Fringe benefits are now a very important part of a worker's compensation. If you take away the pension rights, the hospitalization and insurance benefits, the vacation and holiday pay, and the other fringe benefits which most American workers receive today, you have taken away a significant and substantial part of his compensation.

The State of Wisconsin has recognized this as a fact of life—that true wages include fringe benefits. Thus, my State has enacted a statute which requires that fringe benefits be included in determining prevailing wages to be paid workers employed on State construction projects. Other States have done the same. It seems to me that it is time that the Federal Government also adopt a realistic attitude toward prevailing wages by amending the Davis-Bacon Act.

Let me give you a few facts about our Wisconsin law—about our "little Davis-Bacon Act," as these State laws are commonly called.

A contractor engaged in Wisconsin in the construction or remodeling of a State building that involves at least $1,000 must pay wages no less than the prevailing wage rates in the county where the buildings are located. This is quite similar to the Davis-Bacon Act. But, the Wisconsin statute has made it clear that the prevailing wage must be based on more than just the hourly rate of pay. Under our statute, prevailing wages must include proper consideration of employer contributions for "health and welfare benefits, pension benefits and any other economic benefit, whether paid directly or indirectly."

The State of Wisconsin added fringe benefits provisions to its act in 1961. We are glad we did so, for the results have been good. Workers on a State building project know that they will receive a truly fair wage. Workers on similar private projects know that State projects will not depress local wage standards. This has led to a stable, satisfied work force and high standards of craftsmanship.

Mr. Speaker, I am proud that Wisconsin is a leader among the States in enacting progressive, realistic labor standards legislation. I ask that this body be no less farsighted in enacting Federal legislation of a similiar nature. That is why I favor and will vote for enactment of H.R. 6041. I urge my colleagues to do likewise.

Mr. SKUBITZ. 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 Kansas?

There was no objection.

Mr. SKUBITZ. Mr. Speaker, I have always favored the basic objectives of the Davis-Bacon Act. It seems to me that in the spirit of fairplay to labor and in the public interest, Congress should require any contractor working upon a U.S. Government construction contract to pay the prevailing wage of the area, and since labor and management both recognize that fringe benefits are given in lieu of wages, equity and justice demands that such benefits be considered in determining prevailing wages.

However, for 30 years this law has been administered solely at the discretion of the Department of Labor. Rightly or wrongly, abuses have developed. In some instances charges have been made that the decisions of the Department have been in violation of the law. The Quantico case has been mentioned in this debate as an example in which a determination of prevailing rates was not made on the basis of the prevailing wage in the area or State but rather upon the prevailing rates in the District of Columbia. I must add, however, that on two occasions in my State where construction work was to take place several hundred miles away from Kansas City, the Kansas City prevailing wage rate was used. At my request the Department of Labor investigated and made adjustments.

It does seem to me that in the spirit of fairplay judicial review should be allowed as is provided in all other Fereral laws. Only by so doing can we avoid working a hardship not only upon the contractors and the sponsoring agencies but the unions themselves. It seems to me that the law as it is now administered works a hardship on local contractors and on local labor and gives to the large contractors outside the area a favored position. I favor at least giving the local contractor and local labor equal treatment.

I shall support action which would permit judicial review. If it is defeated, I shall support the bill as it has been introduced because I do feel that fringe benefits should be considered in determining prevailing wage.

Should a separate bill be introduced later to bring about judicial review, I shall support it.

Mr. SISK. Mr. Speaker, I would like to conclude by saying that I think this debate has indicated that the Committee on Education and Labor are proceeding in the right direction by holding additional hearings on the problems involved in the administration of the Davis-Bacon Act. I have the feeling that my good friend, the gentleman from Michigan [Mr. GRIFFIN] and the gentleman from New York [Mr. GOODELL] are trying to pass the buck to the House instead of rising to meet the challenge in the committee. It seems to me that here is a situation where we have a very able and distinguished committee with members on both sides of the political question who are interested in this subject and they should proceed to examine Davis-Bacon and come to the floor with what they believe should be changes in the law. At that time the House will vote them up or down.

The issue before us today is one and one only. That is whether or not fringe benefits should be recognized in determining the prevailing wage rate and certainly in this day and age, with 85 million Americans receiving part of their salary or pay in fringe benefits that question should be recognized.

Mr. Speaker, I urge the adoption of this resolution and I move the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. GOODELL) there were—ayes 126, noes 52.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 297, nays 105, answered "present" 1, not voting 28, as follows:

[Roll No. 17]

YEAS—297

Abele	Fallon	Long, La.
Adair	Farbstein	McCulloch
Addabbo	Fascell	McDade
Albert	Feighan	McDowell
Andrews, Ala.	Finnegan	McFall
Ashley	Fino	McIntire
Aspinall	Flood	McLoskey
Ayres	Fogarty	Macdonald
Baldwin	Fraser	MacGregor
Baring	Friedel	Madden
Barrett	Fulton, Pa.	Mailliard
Barry	Fulton, Tenn.	Mathias
Bates	Gallagher	Matsunaga
Battin	Garmatz	Matthews
Becker	Giaimo	Michel
Beckworth	Gibbons	Miller, Calif.
Belcher	Gilbert	Miller, N.Y.
Bennett, Fla.	Gill	Milliken
Bennett, Mich.	Glenn	Minish
Betts	Gonzalez	Monagan
Blatnik	Grabowski	Montoya
Boggs	Grant	Moore
Boland	Gray	Moorhead
Bolling	Green	Morgan
Bolton,	Griffiths	Morris
Frances P.	Gross	Morrison
Bolton,	Grover	Morse
Oliver P.	Gubser	Morton
Bow	Hagan, Ga.	Mosher
Brademas	Hagen, Calif.	Multer
Bray	Halpern	Murphy, Ill.
Bromwell	Hanna	Murphy, N.Y.
Brooks	Hansen	Natcher
Broomfield	Harding	Nedzi
Brown, Calif.	Hardy	Nelsen
Brown, Ohio	Harris	Nix
Burke	Harrison	Norblad
Burkhalter	Harsha	O'Brien, N.Y.
Byrne, Pa.	Harvey, Ind.	O'Hara, Ill.
Cahill	Hawkins	O'Hara, Mich.
Cannon	Healey	O'Konski
Carey	Hechler	Olsen, Mont.
Celler	Hemphill	Olson, Minn.
Chelf	Hoffman	O'Neill
Clancy	Holifield	Osmers
Clark	Holland	Ostertag
Clausen,	Horan	Patman
Don H.	Horton	Patten
Clawson, Del	Huddleston	Pelly
Cohelan	Hull	Pepper
Collier	Icnord	Perkins
Conte	Jarman	Philbin
Corbett	Jennings	Pike
Corman	Jensen	Pillion
Cunningham	Joelson	Pirnie
Curtin	Johnson, Wis.	Powell
Daddario	Jones, Mo.	Price
Dague	Karsten	Pucinski
Daniels	Karth	Purcell
Davis, Ga.	Kastenmeier	Quie
Dawson	Kee	Rains
Delaney	Keith	Randall
Dent	Kelly	Reid, Ill.
Denton	Keogh	Reid, N.Y.
Derounian	King, Calif.	Reuss
Devine	Kirwan	Rhodes, Pa.
Diggs	Kluczynski	Rich
Dingell	Knox	Riehlman
Donchue	Kunkel	Rivers, Alaska
Downing	Kyl	Roberts, Ala.
Dulski	Langen	Rodino
Duncan	Lankford	Rogers, Colo.
Dwyer	Latta	Rogers, Fla.
Edmondson	Leggett	Rogers, Tex.
Edwards	Lesinski	Rooney, N.Y.
Elliott	Libonati	Rooney, Pa.
Evins	Lindsay	Roosevelt
Rosenthal	Slack	Van Deerlin
Rostenkowski	Smith, Calif.	Vanik
Roudebush	Smith, Iowa	Van Pelt
Roush	Snyder	Vinson
Roybal	Staebler	Watts
Ryan, Mich.	Staggers	Weaver
Ryan, N.Y.	Stinson	Weltner
St. George	Stratton	Westland
St Germain	Stubblefield	Whalley
St. Onge	Sullivan	Wharton
Saylor	Talcott	White
Schadeberg	Teague, Calif.	Wickersham
Schenck	Thomas	Widnall
Schneebeli	Thompson, La.	Wilson,
Schweiker	Thompson, N.J.	Charles H.
Schwengel	Thompson, Tex.	Wilson, Ind.
Secrest	Thomson, Wis.	Wright
Selden	Toll	Wydler
Senner	Tollefson	Wyman
Sheppard	Trimble	Young
Shipley	Tupper	Younger
Sibal	Tuten	Zablocki
Sickles	Udall	
Sisk	Ullman	

NAYS—105

Abbitt	Fisher	Martin, Nebr.
Abernethy	Flynt	Minshall
Alger	Foreman	Murray
Anderson	Forrester	Passman
Andrews,	Fountain	Pickle
N. Dak.	Frelinghuysen	Pilcher
Arends	Fuqua	Poage
Ashbrook	Gary	Poff
Ashmore	Gathings	Pool
Auchincloss	Goodell	Quillen
Beermann	Goodling	Reifel
Bell	Griffin	Rivers, S.C.
Berry	Gurney	Roberts, Tex.
Bonner	Haley	Robison
Brock	Hall	Rumsfeld
Brotzman	Halleck	Short
Broyhill, N.C.	Harvey, Mich.	Sikes
Broyhill, Va.	Hébert	Siler
Bruce	Henderson	Skubitz
Burleson	Herlong	Smith, Va.
Burton	Hoeven	Springer
Byrnes, Wis.	Hutchinson	Stephens
Casey	Johansen	Taft
Cederberg	Johnson, Pa.	Taylor
Chamberlain	Jonas	Teague, Tex.
Chenoweth	Kilburn	Tuck
Cleveland	Kilgore	Utt
Colmer	Kornegay	Waggonner
Cooley	Laird	Watson
Cramer	Landrum	Whitener
Curtis	Lennon	Whitten
Dole	Lloyd	Williams
Dorn	Long, Md.	Wilson, Bob
Dowdy	McMillan	Winstead
Everett	Mahon	
Findley	Marsh	

ANSWERED "PRESENT"—1

Martin, Mass.

NOT VOTING—28

Avery	Johnson, Calif.	O'Brien, Ill.
Bass	Jones, Ala.	Rhodes, Ariz.
Buckley	King, N.Y.	Scott
Cameron	Lipscomb	Shriver
Davis, Tenn.	McClory	Stafford
Derwinski	Martin, Calif.	Steed
Ellsworth	May	Wallhauser
Ford	Meader	Willis
Hays	Mills	
Hosmer	Moss	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien of Illinois for, with Mr. Martin of Massachusetts against.

Mr. Hays for, with Mr. Scott against.

Mr. Stafford for, with Mr. Derwinski against.

Mr. Wallhauser for, with Mr. Ellsworth against.

Mrs. May for, with Mr. King of New York against.

Until further notice:

Mr. Buckley with Mr. Rhodes of Arizona.

Mr. Denton with Mr. Meader.

Mr. Johnson of California with Mr. Lipscomb.

Mr. Mills with Mr. Ford.

Mr. Davis of Tennessee with Mr. Martin of California.

Mr. Jones of Alabama with Mr. Avery.

Mr. Moss with Mr. Hosmer.

Mr. Steed with Mr. Shriver.

Mr. Cameron with Mr. McClory.

Mr. Bass with Mr. Willis.

Mr. KILGORE, Mr. BRUCE, and Mr. SKUBITZ changed their vote from "yea" to "nay."

Mr. BETTS changed his vote from "nay" to "yea."

Mr. MARTIN of Massachusetts. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. O'BRIEN]. I voted "nay." If he were present he would have voted "yea." Therefore I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

LEAVE TO EXTEND REMARKS

Mr. SISK. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks made during consideration of the rule just adopted.

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

There was no objection.

Mr. POWELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6041) to amend the prevailing wage section of the Davis-Bacon Act, as amended; and related sections of the Federal Airport Act, as amended; and the National Housing Act, as amended.

The motion was agreed to.

IN COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6041, with Mr. KARSTEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. POWELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R 6041 would update the Davis-Bacon Act by redefining the term "prevailing wages" to include the basic hourly rate of pay and fringe benefits.

The Davis-Bacon Act, as amended, requires contractors and subcontractors working on U.S. Government construction contracts amounting to $2,000 or over to pay laborers and mechanics on such contracts not less than the prevailing wages for laborers and mechanics on projects of a character similar to the contract work in that area.

The act established the policy that the Federal Government was not to be a party to depressing local labor standards. This policy has been reaffirmed more than 15 times by the Congress through the inclusion of the prevailing wage concept in other laws.

In 1931, when this law was originally enacted, health and welfare benefits were virtually unknown in the United States. In the interval, as you all know, there has been a tremendous change in the concept of earnings. Group hospitalization, disability benefits, and other

fringe benefit plans are now widely recognized as being a valued part of an individual's earnings.

Today more than 85 million persons in the United States depend upon the benefits they provide. Regardless of the form they take, these benefits are an established form of compensation for services performed. In the construction industry alone, there are existing over 4,000 welfare and pension funds. Building trades draftsmen increasingly elect, both individually and collectively, to take wage increases in the form of welfare programs to guarantee security for their families in an hour of need. It is manifestly unfair to exclude these welfare programs, which have been accepted in lieu of cash wages, from the protection of the prevailing wage act.

The bill before you was developed by the General Subcommittee on Labor, chaired by the gentleman from California, JAMES ROOSEVELT. Mindful of suggestions that overall amendments to the Davis-Bacon Act should be considered, the members of the subcommittee decided to treat fringe benefits separately to insure more detailed and careful consideration of each matter. Furthermore, no specific proposals for other amendments were offered or available at that time.

This bill was favorably reported by the Committee on Education and Labor on May 20, 1963. On December 10, 1963, the House Committee on Rules granted the bill a rule. And today, we hope to have your support in the enactment of this important legislation.

An intensive investigation of this subject was conducted not only during the 88th Congress, but in the 87th Congress as well. Hearings were conducted by the committee during the last session bringing to the attention of the Congress the views and recommendations of numerous important witnesses from all over the Nation. Expert witnesses advised the committee on specific, concrete proposals. Through bipartisan cooperative efforts, the committee arrived at the language of the bill before you. Further hearings regarding specific recommendations now before the committee relative to the entire administration of the act began on January 22 of this year.

The Davis-Bacon Act no longer reflects an accurate picture of prevailing wages. Existing wage patterns must reflect fringe benefits to be meaningful. The act, in its present form, allows unfair competition by contractors who are not required to include fringe benefits costs in paying prevailing wages. The precise evils which the Davis-Bacon Act sought to correct occur when contractors bring low-paid construction workers from outside the locality to build Federal projects. The low wages of these workers from outside the local community undercut wage rates and undercut living standards for construction workers and their families who live, work, and purchase in the area.

The Davis-Bacon Act is designed to prevent such depressing of local wage and living standards by requiring contractors to pay workers and their families who live, work, and purchase in the area.

The Davis-Bacon Act is designed to prevent such depressing of local wage and living standards by requiring contractors to pay workers in federally aided projects at least as much as the prevailing wages in the local community. However, without considering fringe benefits as an integral part of the prevailing wage, this purpose is thwarted. This point was clearly recognized by the overwhelming majority of the members of the Committee on Education and Labor. You will note in the committee report (H. Rept. 308) that only 8 of the committee's 31 members filed supplementary views. Of these eight, five agreed with the views of the majority in stating that:

> The cost of fringe benefits should be included when the prevailing wage rate is computed under the provisions of the Davis-Bacon Act.
>
> When the act was passed in 1931, fringe benefits were for the most part unknown. At that time, a worker received a flat amount, usually so much per hour, and this constituted his whole wage. Today, that is not the case. The so-called fringe benefits are an important part of a wo ker's wage, often being given today in lieu of increases in actual cash wages. Therefore, we believe the present law should be amended to permit the inclusion of fringe benefits when the prevailing wage is determined.

The principle underlying the prevailing wage concept has remained just as valid in the years since the Davis-Bacon Act was passed as it was some 30 years ago. However, with new developments in methods of compensation, the implementation of the act has not adequately supported the policy.

The bill before you will bring the act up to date in this respect. It will help all laborers to begin to know the joy of labor.

For these reasons, therefore, I urge favorable action on H.R. 6041.

Mr. Chairman, I now yield such time as he may desire to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, we of course have already had considerable debate on this subject. As my distinguished chairman, the gentleman from New York [Mr. POWELL], has just said, this is really a bipartisan bill. I want to quote the views of the minority members as they were filed in the supplementary report:

> The cost of fringe benefits should be included when the prevailing wage rate is computed under provisions of the Davis-Bacon Act. When the act was passed in 1931, fringe benefits were for the most part unknown. At that time, a worker received a flat amount, usually so much per hour, and this constituted his whole wage. Today, that is not the case. The so-called fringe benefits are an important part of a worker's wage, often being given today in lieu of increases in actual cash wages. Therefore, we believe the present law should be amended to permit the inclusion of fringe benefits when the prevailing wage is determined.

The gentlemen of the minority have properly stated the case.

The committee held extensive hearings on this matter and as a result of these hearings we fully established that in many areas these fringe benefits were accorded to the workers in the area as a part of their basic wage. Therefore, in consideration of the bill our main problem was to make it administratively feasible to compute these fringe benefits and to provide for the different ways in which these fringe benefits were actually used. So you will find in the bill very careful language which provides that the fringe benefits may be paid in a number of different ways, including cash, if necessary, so that there is flexibility to provide in every respect for the practices as they are today.

One of the gentlemen in the previous debate wanted to know why we had added the words which you will find in the act which indicate that in the future, or even today, it is possible for the Secretary to consider other bona fide free fringe benefits, after we listed the nine specific ways in which fringe benefits are paid. We did that because, very frankly, none of us wanted to say that we know how fringe benefits may vary. Therefore, in order not to hamstring the administration, we did give that leeway. But you will note we provided that they must be bona fide fringe benefits. I think this speaks for itself, and I think that it is not a broad license in any way to bring up only schemes or things which do not have real substance. I think, unless there was proof to the contrary, we can, whether it be a Republican or Democratic administration, fully believe that the Secretary will provide to make sure that only bona fide fringe benefits are allowed to be computed.

Mr. REID of New York. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. REID of New York. Am I correct in assuming that section 1, subsection (b), where specific reference is made to "or for other bona fide fringe benefits," means the prevailing fringe benefits in the area, and particularly in Westchester County, would include such matters as an educational fund, a welfare fund, a pension fund, vacation fund, travel fund, or annuities fund, that I believe are normally considered to be prevailing fringe benefits in Westchester County?

Mr. ROOSEVELT. I will say to the gentleman that he is, of course, correct. The benefits which he has enumerated would only be considered if it is affirmatively found that they did prevail in that particular area.

Mr. REID of New York. It is my understanding they do. I understand the gentleman's assurance is that this means that would include such fringe benefits under this bill?

Mr. ROOSEVELT. That is correct.

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

Mr. ROOSEVELT. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Further considering the remarks of the gentleman from New York and also considering the statement which the gentleman from California made earlier in the debate that, of course, if there were no fringe benefits paid in a particular locality—not be concerned—because then it would not be covered. Suppose the Department of

Labor arbitrarily refused to include these fringe benefits which the gentleman from New York has made reference to? What would he or you do about it?

Mr. ROOSEVELT. I am sure I know what he would do about it. I am not sure I know what I would do about it. Of course, naturally, that would not come under my jurisdiction. I would say to the gentleman, I am sure the gentleman from New York would do what every other Member of Congress has done time and time again where such a matter has been presented to him.

Mr. GRIFFIN. He would not be able to take into court; would he?

Mr. ROOSEVELT. Would the gentleman let me answer his question?

Mr. GRIFFIN. Yes.

Mr. ROOSEVELT. Of course, he would present the matter to the administrator. He would present the matter to the Secretary. He would present the evidence for the prevailing rate and, if his evidence was good, no matter who the Secretary of Labor might be or the solicitor might be, I am sure he would get justice in his case. However, I want to add one other thing. It is also now possible under a new regulation of the Department which perhaps I think we may want to improve, I will say to my friend—it is now possible to go another step further and appeal to the administrative board.

Mr. GRIFFIN. Will the gentleman tell me who appoints the members of that administrative board?

Mr. ROOSEVELT. I have read the regulation and, as I understand it, the Secretary of Labor appoints the administrative board. It may well be, as a result of the hearings which the gentleman may know, although I do not think he was present, the hearings which we began the other day, that we may want to strengthen that and make it a more independent board. But at least we have made a beginning, I will say in answer to the gentleman. So, if he is not successful with the Secretary, he will be able to go to that other independent administrative board.

Mr. GRIFFIN. I thank the gentleman.

Mr. REID of New York. Mr. Chairman, will the gentleman yield for one further query?

Mr. ROOSEVELT. I yield to the gentleman.

Mr. REID of New York. If the situation pertains, which the gentleman from Michigan mentioned and if evidence was presented clearly and affirmatively to the Secretary that specific benefits were indeed the prevailing fringe benefits in an area, then as I understand the bill he must affirmatively find those are proper or bona fide benefits within the meaning of the bill?

Mr. ROOSEVELT. The gentleman is quite correct. I might add, of course, even if he required a judicial review which, of course, is not before us at the present time—even if he required that—the court might make mistakes too. I am not saying everybody is infallible. Even the courts are not infallible in some cases. So what we have here, of course, is a determination which we think is the most practical way of administering the act.

Mr. REID of New York. I thank the gentleman.

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

Mr. ROOSEVELT. I yield to the distinguished Speaker of the House, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. With reference to the question asked by the gentleman from Michigan [Mr. GRIFFIN] I would make the observation that although one might disagree with the finding made by the Secretary, I doubt if anyone would charge or be able to charge successfully that any Secretary of Labor would make an arbitrary decision.

Mr. ROOSEVELT. I would say to our distinguished Speaker, I completely agree that no Secretary has made an arbitrary ruling. He may have made a mistake in ruling, but he has not made an arbitrary ruling. I think this applies to both Republican and Democratic Secretaries of Labor.

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

Mr. ROOSEVELT. I am having a hard time making my statement, but I am glad to yield to my colleague.

Mr. GRIFFIN. I would certainly accept the Speaker's suggestion that certainly a Secretary of Labor under administrations of both parties, we assume, operate in good faith. But we also may suggest that they sometimes make mistakes and serious mistakes and make rulings that are not consistent with the law or with the intention of the Congress, and when that happens it seems to me we want to have recourse to the judiciary.

Mr. ROOSEVELT. I would be very happy to have the gentleman come before the committee, and we will certainly discuss this very fully.

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

Mr. ROOSEVELT. I yield to the gentleman.

Mr. GOODELL. I do not rise for the purpose of discussing this aspect, but I think it should be pointed out that Members on both sides of the aisle on the subcommittee were unhappy with some features of this Wage Appeals Board, the administrative review board that is proposed. The Secretary of Labor appoints the members. They have no term of office. No party has a right to be heard before this board and essentially it is going to be a part-time job for board members who are full-time Federal employees in other agencies of the Government.

I believe a good deal of that might need some revision in order to introduce some independence into the Board's approach to these problems.

I believe the gentleman implied that in the course of the hearings we should allow some time for the administrative appeals procedure to be worked out in the department. I believe the gentleman mentioned a period of 1 to 2 years as a possibility. Would the gentleman care to elaborate on whether he means we ought to permit this administrative approach a trial of 1 or 2 years before we consider judicial review—or did he not intend that?

Mr. ROOSEVELT. I am very fond of my friend from New York, but the gentleman knows that has nothing to do with this bill. Does the gentleman not think we ought to discuss this bill for a while? Then we can discuss that question in the committee. I believe that is the proper place to discuss it.

Mr. GOODELL. I believe it is important in respect to possible amendments which may be offered.

Mr. ROOSEVELT. I say to the gentleman that I believe we should look more carefully into the immediate proposal in the form of the regulation which the Secretary has promulgated. I have an open mind. I am inclined at the moment to say that I would be in favor of a more compulsory hearing and very possibly a full-time board as compared to what the Secretary has proposed.

I am impressed by the fact that the gentleman is now saying we should include an administrative appeal. I am inclined to agree with the gentleman. Now he has given up the other side of the argument, because he was talking about a judicial appeal and now he is talking about an administrative appeal. I am inclined to feel that we should make that as effective as possible.

Mr. GOODELL. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. Only very briefly.

Mr. GOODELL. I did not intend to give that impression. The vote which has been taken by the House means that we shall not have judicial review as an alternative to the bill. Obviously, now that administrative review is the only alternative available, I should like to improve whatever administrative procedure may be available.

I should like to ask the gentleman another question on the act itself and how it will be administered.

We did have a hearing at which the Solicitor appeared last week, at which time the Solicitor commented on the manner in which he would go into an area to determine if certain fringe benefits prevailed. He emphasized that he would go in to find out what contributions prevailed in that area, that is prevailing contributions to various fringe benefits programs.

It was the concern of both the gentleman from California and myself that we should go beyond the contributions to find out what prevailing benefits occur in an area.

This is a very difficult question, and perhaps we should write some legislative history on it for the guidance of the Solicitor, as to what our intention is.

Mr. ROOSEVELT. In answer to the gentleman, I wish to say first that I have consulted both the Secretary and the Solicitor on that point. They believe there is no problem at all in this area, inasmuch as they have not been able to find a case in point. If the gentleman has a case in mind, we could take it up specifically, but we have not been able to find cases in which contributions have been made to plans where the benefits were not under the present procedure

found to be prevailing, and therefore available to all the people involved.

Mr. GOODELL. If the gentleman will yield further, would he agree with me that it is our intention that we only declare prevailing those contributions where employees for whom the contributions are made are eligible for benefits. Those are the prevailing benefits. If it comes to the attention of the Secretary or if he, by due diligence, can find out that the fringe benefits paid to the workers are different from the contributions made in their behalf, these should not be accorded status.

Mr. ROOSEVELT. I believe the important thing is to emphasize exactly what the statute provides. The statute provides that these specifications "shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics which shall be based upon the wages that will be determined by the Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work," and so forth.

In other words, the act clearly provides that the Secretary must decide, and he must make a ruling that these items are part of the wages which are paid to the workers and are prevailing on projects of similar character in that area.

Mr. GOODELL. I am sorry to take so much of the time of the gentleman, and I appreciate his patience. Then, if it comes to the solicitor's attention—and we asked this question of the solicitor—if it comes to his attention that contributions have been made toward a fringe benefit program and a worker says that he is not eligible for the benefits from those contributions, the worker then has the right to sue under the present Davis-Bacon Act and the Administrator should not accord that fringe benefit program qualification status.

Mr. ROOSEVELT. No. I again say to the gentleman I do not want to enter into a legislative discussion which I think impinges on the act, and I think he is tending to do so. I would simply point out to him when the Congress passed the welfare and pension provisions of the act we definitely determined to keep the Government out of the area of determining how money from the fund should be invested or to whom benefits should go. I do not want to indicate any change in that basic situation. If the gentleman is trying to get me to say that, I do not agree with him.

Mr. GOODELL. More than that. It is important that we emphasize that we feel if a worker makes a contribution toward a program or if an employer makes a contribution in behalf of a worker, that worker should be eligible for benefits. When we are talking about prevailing fringe benefits, we mean benefits.

Mr. ROOSEVELT. We mean the prevailing benefits, and I think we have covered the words of the act, and that is my meaning, too.

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

Mr. ROOSEVELT. I yield to the gentleman.

Mr. DENT. I think perhaps we might be trapped into a situation where we are writing law here which is not intended by this law.

Mr. ROOSEVELT. If the gentleman will yield, I would like to finish my statement, but I do want to say to him, as I have said to the gentleman from New York [Mr. GOODELL], we are not changing the basic act. Nothing I have said should be construed as changing the basic act or in any way intending to do so.

Mr. DENT. You have not agreed that before a fringe can be determined to be part of the prevailing wage there has to be a prevailing fringe. That was the question that was led to, that there has to be such a thing as the prevailing fringe. There is no such thing as the prevailing fringe.

Mr. ROOSEVELT. If the gentleman will allow me to disagree, a fringe benefit, in order to be included in the act itself, must be prevailing in the area.

Mr. DENT. Yes, but not a like fringe, because one fringe benefit can give a younger retirement age under a pension system than another. Would you then say it is not prevailing?

Mr. ROOSEVELT. The gentleman is correct. I am simply saying whatever a fringe benefit is and however it is, that is what must be prevailing in that area.

I simply want to say at this time that the Speaker has kindly given me a letter addressed to him dated January 24, 1964, which I want to read in order that it may be a part of the RECORD at this point. It is addressed to the Speaker of the House and reads as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 24, 1964.

Hon. JOHN W. MCCORMACK,
Speaker of the House,
Washington, D.C.

DEAR MR. SPEAKER: I am most gratified to know that H.R. 6041, a bill to amend the Davis-Bacon Act, is scheduled for debate and disposition on Tuesday, January 28.

This bill would require fringe benefits to be included in the computation of prevailing wages to be paid for federally supported construction work. This overdue change would recognize a significant and far-reaching collective bargaining development of the past 20 years in which labor and management have jointly provided health and welfare benefits for employees. Thus the amendment is a long overdue modernization of a program which has traditionally received far-reaching and bipartisan support.

As you know, H.R. 6041 is fully supported by the administration. I strongly urge, therefore, that it be passed and sent on to the Senate in the form reported overwhelmingly by the Committee on Rules.

I trust you will make known the contents of this letter and my enthusiasm for this measure at such time as you deem it appropriate.

Yours sincerely,
W. WILLARD WIRTZ,
Secretary of Labor.

May I briefly comment on one or two other provisions of the bill, because it is a very simple bill. There is nothing complicated about it. It amends section 1 and only amends section 1. It simply states, as has been clearly brought out in the debate, that there are now known certain fringe benefits which have been enumerated and many others which may be developed in the future can be considered, and these shall be decided as the prevailing wage is decided.

I want to stress what I said in the previous debate. There is no attempt here to impose any benefit not prevailing in the area. On the other hand, there is every effort being made by this law, as it was by the sponsors themselves, to protect anybody coming into a given area and depriving the workers of that area from the benefits which they have acquired by proper collective bargaining between the employer and the employee.

We are following the basic concept of the law recognized since 1931. We have the support of our good Members on the minority side. I do not see how there can be very much to debate about this bill except to say that we are taking a step in the right direction and if there are other steps needed I assure you, and I give you my word, that we will go deeply into them and try to present a measure which may not satisfy everybody but which then can be voted up or down by the Members of the House. Mr. Speaker, I urge support of the rule and the previous question.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield myself 5 minutes.

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

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

Mr. HORTON. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I rise in support of H.R. 6041, a bill to amend the Davis-Bacon Act to include fringe benefits in prevailing wages. Its passage is imperative to assure that the original intent of this legislation meets today's needs.

The Davis-Bacon Act became law in 1931. It requires the payment of prevailing wage rates to workers on Federal construction projects.

By adopting the prevailing wage principle as public policy, Congress provided equality of opportunity for contractors, protected prevailing living standards of the building-trades men, and prevented the disturbance of the local economy.

At the start, the act adequately fulfilled congressional intent. Under an equitable standard, contractors were free to compete against each other in the framework of efficiency, know-how, and skill. Outside contractors who based their bidding estimates upon the lower wages they could pay workmen from other areas—to the depression of a local economy—were replaced by qualified contractors who paid fair wages to their employees.

If a construction worker's wage were still only his hourly rate of pay, the original provisions of the Davis-Bacon Act still would be sufficient. Of course, the intervening years have seen considerable changes in construction industry wage patterns. Fringe benefits have become a substantial part of the wage compensation of a worker.

Financed primarily by employer contributions of so many cents an hour for each hour of work by a covered employee, fringe benefits include medical and hospital care, pensions and death payments,

compensation for injury and illness, life and other insurance, vacation and holiday pay, and/or numerous other benefits. As the report (H. Rept. No. 308) of the Committee on Education and Labor which was submitted to accompany the instant bill points out:

> Regardless of the form they take, the employer's share of the cost of these plans or the benefits the employers provide are a form of compensation.

Thus, Mr. Speaker, in order to update the Davis-Bacon Act, I am convinced of the necessity for including fringe benefits in prevailing wage determinations. Let us pass this bill and, by doing so, restore equity among all contractors bidding competitively, recognize current compensation practices, and protect community living standards throughout our Nation.

Mr. FRELINGHUYSEN. Mr. Chairman, the discussion just now held between the chairman of the subcommittee and various members of that subcommittee almost makes me wish that I also were a member of that subcommittee. As you have heard this discussion of the details of what is proposed, and the changes in the basic law which are proposed by this bill, has not always been easy to follow. The legislative history which is being written may or may not be a subject of controversy at a later date.

At any rate we already have made plain that there is no fundamental disagreement about what is being advocated by the bill, H.R. 6041.

As the gentleman from California has said, this is a bipartisan bill. As one of those who signed the supplemental views I would like to repeat what this report states. We believe the present law should be amended to permit the inclusion of fringe benefits when the prevailing wage is determined.

The main disagreement which some of us on the committee have had, and which has already been expressed in the discussion on the rule, is stated clearly on page 30 of the report. I would like to read it.

> Members of the subcommittee—

And that I might say this includes both Democrats and Republicans—

> that investigated the operation of the Davis-Bacon Act were shocked by the many abuses that have developed over the years in the administration of the act. No one can seriously deny the need for a substantial modernizing and revision of the basic act. If fringe benefits are approved by the Congress as separate legislation, the opportunity for real reform will then be lost.

Both sides have described this bill as a needed and long overdue modernization of our Davis-Bacon Act. Both sides have made it plain that we feel strongly in our committee that more needs to be done. My feeling is that we have missed a real opportunity for making further logical, legitimate, and reasonable changes in this act by refusing to change the rule to permit us to submit a provision for judicial review of the act. However, that is behind us by a vote of the House. What we have left is whether or not to go along with this particular modernization.

As a member of the House Committee on Education and Labor I feel this bill should be passed. However, I feel very strongly that we have a direct and immediate responsibility to do more than recommend enactment of this bill. I regret that we apparently are not improving this bill today.

We had extensive hearings on the administration of the Davis-Bacon Act in 1962. Hearings are presently under way to see what, if anything, should be done to correct some of what the gentleman from Illinois [Mr. PUCINSKI], referred to as the many defects in the existing act. I hope we will face up to our responsibility. We should approve something along the lines of the judicial review that we would have offered had the opportunity presented itself today.

The fact that the Department of Labor has quite recently promulgated new regulations in this field is a clear indication there is need for reform of the administration as it has been practiced. Of course, no one will disagree with the Speaker of the House that no Secretary of Labor is going to make an arbitrary decision. But the trouble is that there is room for error in any administrative agency of our Government. The Labor Department itself has recognized this by the creation of a so-called administrative review board. The gentleman from California has indicated he does not consider this device should not be considered the last word in what needs to be done. He frankly recognized the importance of providing some kind of a check against possible, and the very actual, abuses which have developed. It is my hope that our committee will come up in the near future with a constructive bill, one which will move us further in the direction of a much needed modernization of the present act.

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

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, I think that there is very little that needs to be discussed with reference to the merits of adding fringe benefits to the present Davis-Bacon determinations. I want to emphasize I do not think we had a division here in the House today on that question. Many of us feel that the fringe benefits section ought to be added.

Mr. HALEY. Mr. Chairman, I make the point of order a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Forty Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 18]

Alger	Diggs	Jones, Ala.
Avery	Dingell	Keith
Bass	Donohue	King, N.Y.
Bolling	Ellsworth	Kirwan
Brock	Ford	Lipscomb
Broyhill, N.C.	Gilbert	McClory
Buckley	Gonzalez	Martin, Calif.
Cameron	Hays	May
Cannon	Holifield	Mills
Davis, Tenn.	Hosmer	Morrison
Derwinski	Johnson, Calif.	Moss
O'Brien, Ill.	Stafford	Vinson
Powell	Steed	Wallhauser
Rhodes, Ariz.	Teague, Calif.	Willis
Shriver	Teague, Tex.	Wilson, Bob
Sisk	Thompson, La.	
Smith, Calif.	Tupper	

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. KARSTEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 6041, and finding itself without a quorum, he had directed the roll to be called, when 378 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose, the gentleman from New York [Mr. GOODELL] had 4½ minutes remaining. The Chair recognizes the gentleman from New York [Mr. GOODELL].

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

Mr. GOODELL. I yield to the gentleman.

Mr. ASHMORE. Mr. Chairman, I am opposed to the legislation.

Mr. Chairman, in and of itself, the amendment to the Davis-Bacon Act under consideration here does not appear unfair. That is, if total costs of a project and the resulting confusion of administering such an amendment are completely forgotten, the principle of including fringe benefits under the term "wages" would seem fair. However, consideration must be given to the effect that this amendment will have on all existing standards now established under the Davis-Bacon Act. Its effect on contractors, builders, local economic factors, and fair treatment of all who will be involved should it become law must be considered.

What is wrong with the bill? Experience with the Davis-Bacon provisions already in force indicates poor administration on the part of the Department of Labor. Testimony during hearings before the House Committee on Education and Labor reveal this fact. Testimony also revealed the following: Arbitrary decisions of members of the U.S. Department of Labor have cost the Government far more than was necessary. Departmental interpretations of the term "prevailing wage rate" is out of line with sound, logical reasoning. Jurisdictional disputes among labor unions have clouded the issue and have resulted in improper determinations. The 30-percent rule is not mentioned in the Davis-Bacon Act at all. It is merely a tool being used by the Department of Labor to aid in determining what prevailing wage rates are and has resulted in an unfair determination setting wages actually at rates higher than they should be set.

In short, Mr. Chairman, it is unjust to pass this bill, H.R. 6041, when by so doing the Davis-Bacon Act will be subject to further misinterpretation and incongruous administration. The resulting confusion would become self-perpetuating. Whenever construction is begun under such terms, the standards

will be used again and again as precedent both in the same local area and other areas. It would be impossible to convince me that this is fair. A more just and fair approach would be to return this bill to the Committee on Education and Labor and ask for a bill which would adequately solve the problems created by the Davis-Bacon Act. Judicial review for the decisions of the Secretary of Labor must be included as well as other provisions to prevent the mismanagement of the provisions of the act. I believe if the House were given the opportunity to vote on a bill including these provisions, as I have suggested, there would no longer be any reason to request inclusion of fringe benefits in wage determinations.

If the bill is not recommitted to the committee then it should be defeated.

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

Mr. GOODELL. I yield to the gentleman.

Mr. FINO. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD following the remarks of the gentleman from New York [Mr. GOODELL].

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

There was no objection.

Mr. GOODELL. Mr. Chairman, I shall be very brief. Let me emphasize once again that on the basic issue of whether or not fringe benefits should be added to the consideration of the Davis-Bacon Act there is no partisan difference. Many of us felt that the only device available for getting judicial review into the act was through this procedure.

I would like to emphasize to the Members that there will be several amendments offered during the reading of the bill. One of them will be judicial review limited to the fringe benefits section of the bill. We do not know whether this will be in order for consideration. But we will be offering such a proposal.

I would like to ask the gentleman from California, the chairman of our subcommittee, with reference to hearings we had last week. I think as a matter of legislative history it is rather important that we understand what we are talking about here when we say that a Labor Department employee is going to go into an area to determine what fringe benefits prevail in that area. If I am an employer, I may have a plan where only 60 percent of my employees participate. Contributions are made by me for only 60 percent of my employees. Other employers may have the same kind of situation. When that exists the solicitor last week indicated on the record that he is not going to look at 100 percent of my employees to determine what is prevailing if contributions are made for only 60 percent of those employees. Will the gentleman from California agree that this is our intent as to the manner in which he should administer this program when he goes into an area to determine what are the fringe benefits?

Mr. ROOSEVELT. Mr. Chairman, I am not sure the gentleman has correctly quoted the solicitor, but apart from that, I wonder if he would allow me to yield to the expert on our committee on this subject and let him discuss it for a moment and then perhaps I can discuss it further.

Mr. GOODELL. If the gentleman will indicate as a matter of legislative history his agreement or disagreement with what the gentleman says I should be delighted.

Mr. ROOSEVELT. I have not heard what he is going to say yet and I cannot agree until I have heard him.

Mr. SICKLES. Mr. Chairman, I do not know whether I should accept the definition of being the expert in this field. As a matter of fact, I am having some problems understanding the gentleman's question because I do not quite understand the situation the gentleman presents. Let us take a particular group of employees; let us say they are all carpenters. An employer would pay into such a fund for 60 percent of his employees only. There would have to be some discrimination on his part, as I understand it.

He would be running in violation of the tax law or the Taft-Hartley Act.

Mr. GOODELL. I do not want to debate whether he violates any other law or not. All I am saying is, it is our intention this situation should not exist. It is our intention that when the Labor Department people go in they should determine whether all employees have contributions made for them or not. This can be reported on a form to be submitted to the individual contractors.

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

Mr. GOODELL. I yield to the gentleman from Maryland.

Mr. SICKLES. I would be willing to agree it would be the job of the Labor Department to determine what contributions are being made for these fringe benefits and what they will find. I know from my own personal experience there are certain contributions made and they would be making contributions into the same fund on behalf of the employees. Your question is that 100 percent would be entitled to a particular benefit, and this should be taken into consideration by the Labor Department. I would say, I do not think it should because there are other laws which would cover discrimination, if there is any discrimination, which would bring this about. My answer is, I do not agree with the conclusion that the gentleman reaches.

Mr. GOODELL. The gentleman misunderstands the situation I have described. The Secretary of Labor is charged here with the responsibility of determining what fringe benefits prevail in an area. He cannot do this unless he knows how many employees are affected by the fringe benefits. It is not our intention that he go out and ask three or four or a majority of the contractors in an area what plans they have without relating this to the number of employees for whom contributions are made. If he does not do this he might well go and determine that contractors have plans that cover 40 or 50 percent of their employees, and he will never know that the other 40 or 50 percent are not covered, and there are no contributions made for them.

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

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

Mr. ROOSEVELT. The Secretary of Labor will go into an area and he will find that a certain number of contractors put aside, let us say, 5 cents an hour as a starting point, toward fringe benefits.

Mr. GOODELL. For whom?

Mr. ROOSEVELT. For whatever the collective bargaining agreement has arrived at.

Mr. GOODELL. That is the point. Is it for the collective bargaining agreement or is it for the number of employees whose contributions are made for that plan and are bona fide?

Mr. ROOSEVELT. I think the answer to the gentleman is, it is for the collective bargaining agreement. The law says it has to be a bona fide agreement.

Mr. GOODELL. The only accredited fringe benefits are going to be where there is a union involved and where there is a collective bargaining agreement.

Mr. ROOSEVELT. It must be a qualified agreement. We are not going to provide this unless there is an agreement between the employer and employees.

Mr. GOODELL. All employees?

Mr. ROOSEVELT. I think the gentleman is illustrating how difficult it is to make a definite statement until you get a specific case in hand. But I think the basic principle can be enunciated in this fashion: If there is a bona fide agreement—it does not have to be a union agreement—if the money is being paid into a plan, then it is not the job of the Government to say what are the conditions of that plan, and we will not interfere with it.

Mr. GOODELL. Let us take an arbitrary example which we know exists in the case of Government contractors. It may be contended it will not exist in a majority of cases. But this is what we saw: An employer had a fringe benefit program, he made contributions for 30 percent of his employees in a category. They were the only ones covered. Does this prevail when 70 percent of the employees in that category are not eligible for that plan? Is it not incumbent upon the Government to find out what percentage of the employees are going to benefit in that category? If he does not know how many employees for whom contributions are made, and for whom the benefits will be available, how can he possibly say it is prevailing in this area?

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

Mr. GOODELL. I yield to the gentleman from Georgia.

Mr. LANDRUM. I think it would be interesting to the gentleman from Georgia to know just why this 70 percent to which the gentleman from New York has referred is not eligible. Could it be that they are not eligible for the plan because they are not members of the union, because they are working under a work

permit, and the collective bargaining agreement of the employer requires only that he contribute for those who are eligible under the union plan? Is that part of it?

Mr. GOODELL. This is one possibility that does exist in some areas.

Mr. LANDRUM. That is to say that if there are employees of the particular contract or working under a work permit who are not members of the union, then even though they paid into the fund the equivalent of the fringe benefits to their wage they would never be able to participate?

Mr. GOODELL. The gentleman is making an additional point which is a very important one. But aside from benefits, I am talking about contributions. In the case the gentleman from Georgia indicated, it may not be a question of union membership. It may be a question of membership in that local. A man may be a carpenter but he may not be in that particular local. The local may be the one that negotiated the plan and makes the benefits available. The employer will make contributions that he deducts from the wages, but the man is not eligible for the benefits.

Mr. ROOSEVELT. The gentleman is quite wrong.

Mr. GOODELL. When this happens, it seems to me the fringe benefit plan should not be accredited by the Secretary.

Mr. ROOSEVELT. The gentleman must understand that these are not deducted from a man's wages; they are paid as part of the wages. They are contributions by the employer.

Mr. GOODELL. The gentleman is quibbling over terms.

Mr. ROOSEVELT. No; I am not.

Mr. GOODELL. The employer sits down with his employees and they determine how many cents will go into a fringe benefit plan and how many cents will go into additional cash wages. It may be 18 cents an hour that goes into the fringe benefit plan. The employer pays it quite frequently to the insurance company, the trust, or the fund. The employee has it deducted from his wages.

Mr. ROOSEVELT. It is added to the wage; it is not deducted from his wage.

Mr. GOODELL. We are quibbling over terms.

Say my wages are $3.82 in cash and 18 cents in fringe benefits. The employer takes that 18 cents and puts it in the plan. I never see it. I get the $3.82.

Mr. LANDRUM. The wages are not deducted, as the gentleman from California has said, but they are paid into the fund, and the fellow for whose benefit they are paid never derives any benefit from them. That is the point, is it?

Mr. GOODELL. That is correct. I do not think we want to countenance that kind of situation here, especially where it may be that 70 percent of the employees of this particular contractor are not eligible for this benefit. I do not see how you can say the benefit prevails in that area.

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

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. GRIFFIN. I should like to insert a little comment here. I do not think we are merely quibbling about terms. Once a fringe benefit is included in the prevailing wage under this bill, another contractor may comply by paying a cash equivalent to his employee. We are not quibbling at all, because this means that an employee of another contractor would actually receive a higher wage than the employee from whose wages the deduction was made. This application would be very unfair where deductions are made, but the employee benefits in no way. Does the gentleman agree with my point?

Mr. GOODELL. I certainly do. I agree completely. The bill does provide that to comply a contractor does not have to set up his fringe benefit plan but he may pay the worker this additional amount of money. The whole question is, how are we going to determine what a prevailing fringe benefit is in an area unless we know the percentage of the employees for whom contributions are being made or how many are being benefited, or both. It seems to me the Secretary of Labor should know this.

Mr. DENT. That has absolutely nothing to do with what we are doing here today. It is only the amount of money that an employer says it costs him to do business in the way of wages. Where it goes matters nothing.

Mr. GOODELL. Fine, now you have said what I was afraid you were going to say and what bothers me here. Because you are saying it is the prevailing contractor's cost of fringe benefits and not the prevailing fringe benefits to the workers, and to the employees. The solicitor said in his testimony last week that he does not agree with that. He feels it is the prevailing fringe benefit available to employees that counts. In order for the solicitor to determine what is prevailing, he has got to go beyond the question of the employer's report and what he has negotiated with the union or other representatives of the employees as far as his costs are concerned.

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

Mr. GOODELL. I yield to the gentleman.

Mr. ROOSEVELT. I want to point out to the gentleman whenever benefits exist, it is set out and it is brought about by agreement and that is what becomes prevailing.

Mr. GOODELL. How can it be prevailing if you agree that 70 percent of the workers are not eligible?

Mr. ROOSEVELT. It would be prevailing for that category.

Mr. GOODELL. That is what I am saying—70 percent of the workers in that category are not eligible. We can argue about whether it exists or not but we had testimony in our committee of subcontractors who said it existed with them. We had one of them from Maryland who said that 70 percent of the employees never were eligible for fringe benefits. What is going to happen? Unless we make legislative history on this, the Secretary is going to go in and he is going to look at the 30 percent and he is going to ask the employer, and the employer is going to say, "I have an agreement here with employees that involves 20 cents an hour." And the Secretary, if he finds this to be true, will find that 20 cents an hour is the prevailing fringe benefit. The Secretary must know what percentage of workers are qualified for benefits and what percentage of workers the contractor is making contributions for. That is the key.

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

Mr. GOODELL. I yield to the gentleman.

Mr. FISHER. The gentleman has pointed out a very serious defect in this bill, and I think it helps to demonstrate the fact that its enactment would open up a virtual Pandora's box of possible misinterpretations or a wide scope of attempts to interpret the law that is very difficult of interpretation. I think the gentleman is very sound in the approach that he makes, particularly in view of the fact that there is no right of judicial review provided in the law to resolve the very questions that have been raised here.

Mr. GOODELL. I appreciate the gentleman's comments. I am troubled about the fact that we have no review and I am also troubled by the fact that I do not think the membership understands how complex this is going to be. It is going to affect every single one of you back in your districts. They are going to go in and start determining what fringe benefits prevail and unless they are relating it to the number of employees you are going to have a catastrophe in many areas.

Mr. FISHER. Mr. Chairman, I thank the gentleman.

Mr. GOODELL. Let me emphasize here, I raise this point as I raised it in the hearings last week and as I have raised it before, because I am deeply concerned, being in favor of the idea of adding fringe benefits and being in favor of the Davis-Bacon Act, that we anticipate these problems and deal with them here before they become serious and disruptive issues.

Mr. FINO. Mr. Chairman, passage of H.R. 6041 is necessary to modernize the prevailing wage concept to give the same protection to laborers and mechanics that was intended by the enactment of the Davis-Bacon Act in 1931. As we so often find, when the underlying circumstances change, the law no longer accomplishes the original objective.

We long ago discovered in the State of New York that our law providing for the payment of prevailing wages for work on public works contracts was no longer affording the same protection to our workers because of changes in the wage customs and practices in the construction industry. Fringe benefits have become a significant part of its wage structure. In 1956, therefore, the New York law was amended to include within the "prevailing wage concept" fringe benefits such as health, welfare, nonoccupational disability, retirement, vacation benefits, holiday pay, and life insurance. We have not found that the consideration of fringe benefits in the determination of prevailing wages has

created any insurmountable administrative problems.

The Federal Government should not lag behind the States in meeting its responsibilities. It is of the utmost importance to guarantee that contracts on Government construction projects are not used to depress the prevailing wages and benefits received by construction workers in any area. The Davis-Bacon Act should be updated to cope with the desirable changes which have occurred in the wage practices in the construction industry. I therefore strongly urge all of my colleagues to vote for H.R. 6041.

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

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

There was no objection.

Mr. FISHER. Mr. Chairman, I am convinced that the enactment of this bill would not be in the public interest. There is no particular need for it, and it would create an administrative nightmare. We all know that the Davis-Bacon Act has been repeatedly misinterpreted and misapplied by the Labor Department. Scores of instances have been documented of wage determinations which confirm this fact. If you want any additional proof I suggest that you call on the Comptroller General for a report of the many times these wage determination cases have resulted in inflated and unrealistic wage rates being applied to particular contracts. And the Comptroller General has been called upon to make investigations of these repeated misinterpretations in only a limited number of cases. If you would take the time to read some of the findings by the Comptroller General I can assure you that the findings would curl your hair.

Unfortunately, the Comptroller General can only review and make findings. He does not have the power to correct the mistakes made by the Labor Department in this area. When the Labor Department makes a determination of what a prevailing wage rate is in a particular community, there is no appeal. That determination is final. This fact, plus the repeated findings of wage rates above those that have prevailed in a particular community, have resulted in losses to the American taxpayers amounting to untold millions of dollars.

Now, the pending bill would not attempt to correct the flaws in the present law. It would in effect create a new Davis-Bacon Act, dealing with another subject—that of prevailing fringe benefits, with no right of review or appeal being included. It would perpetuate all the evils that have become manifest in the present Davis-Bacon Act.

In fact, it would be even worse because this proposal would allow the Labor Department to go on fishing expeditions in making determinations of what constitutes fringe benefits that prevail in particular communities. Now, what is meant by fringe benefits? Just how much latitude would the Labor Department be given to write into contracts the agency's ideas of what the prevailing local custom may be? This would open a Pandora box and would place a burden upon the Labor Department, and grant to that agency discretion that would be a wide open invitation to continued abuse and misinterpretation.

The committee report points out that fringe benefits include almost anything the mind can imagine. It includes medical or hospital care; pensions; compensation for injuries or illnesses; unemployment benefits; a wide variety of insurance; vacation and holiday pay; apprenticeship or other similar programs; and what the report describes as "other bona fide fringe benefits."

Thus, it becomes self-evident that the discretion of deciding what type of so-called fringe benefits are customary in a particular community is broad. The meaning is nebulous because of the multitude of benefits, their degree and extent, which would vary in different communities. And remember that when the Labor Department makes a finding there will be no right of review or appeal.

Regardless of what may be said about it, you can be certain that the enactment of this bill will cost the American taxpayers many, many millions of dollars. We know that under the present Davis-Bacon Act so-called prevailing wages, as determined by the Labor Department, are often 20, 30, or 50 percent above the actual prevailing wage levels in affected communities. The Comptroller General has confirmed that fact many times. Therefore, by the same token, is it not reasonable to assume that the same Labor Department which would administer this new Davis-Bacon law would indulge in similar abuses, and include benefits that are not necessarily prevalent in a given community? To argue otherwise is to ignore the experience that has marked the administration of the present Davis-Bacon Act.

If this sort of a law is to be enacted, then certainly it should provide for review and appeal. But the bill does not provide that protection to the public and to the American taxpayers. Therefore, it should be defeated.

Mr. ROOSEVELT. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I just want to read this statement made by the Solicitor which I think covers the point entirely.

The statement is as follows:

It is our understanding where a contractor contributes to a health and welfare or pension plan on the basis of the number of employees of a particular craft or class engaged in a particular construction project, all employees so engaged are eligible for benefits under the plan on a uniform basis of equality.

That is the practical situation, therefore, I humbly submit the gentleman is talking about something that does not exist.

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

Mr. ROOSEVELT. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, I believe we ought to call attention to the fact that the arguments which have been made by the gentleman from New York are not in good order at this time. The Davis-Bacon Act is not a proper instrument to deal with the problem the gentleman brings up, and I submit that there is evidence in the hearings to prove this.

Under the terms of the bill the Secretary of Labor would be obligated to ascertain whether a contractor had made a contribution to a plan, a fund, or a program. Whether the employee actually is to receive the benefits of the contribution is a matter which Congress has decided to leave to the individual people who set up the plans.

Further, as the Members of the House will remember, Congress passed the Welfare and Pension Plans Disclosure Act of 1939. It was then determined to keep the Government out of the area of regulating as to how the money of the funds should be invested and who should be entitled to receive benefits under the funds.

If it is now the wish of the gentleman from New York to reconsider this situation and to make a determination as to who is to get the benefits, I suggest that the legislation should be duly brought before the proper committee, so that this particular item can be given due consideration.

Every labor-management contract and every negotiation takes into consideration, along with the basic wage, the fringe benefits. In every case Members will find that when a contract is completed the agreement is listed as a package wage agreement. Any division as between the basic wage and the fringe benefits is left to a subtitle or to an explanatory reference.

For instance, a contract agreement might very well present a 25-cent-an-hour package to labor. The package then could be divided up into one, two, three, four or more subbenefits. It might give the workers 10 cents an hour as a direct basic increase. It might give 6 cents an hour for pension and welfare plans. It might give 4 cents an hour for an accumulation for extra vacation paid periods at a later date. It might also provide for additional payments for unemployment compensation.

Those all would be a part of a wage agreement.

When this is determined as the wage agreement, how could any person argue that the fringe benefits determined by the employer and the employee—whether by union negotiation, by individual negotiation, by company-union negotiation or by any other method—are not a proper allowance to be claimed as a wage by the contractor when he is making a determination for the Davis-Bacon contract.

If we were to disallow those amounts, we would create a most serious condition in the contract bidding forms presented to the Federal Government.

The gentleman in his earlier discussion stated he believed judicial review to be necessary. How could there be a judicial review of a situation which must be predetermined before the contract is let?

What would happen? If a contractor made a bid in the knowledge that he would have a judicial review of the matter at his disposal, he would bid under the going rate or under the prevailing

rate set by the determining officials under the Davis-Bacon Act. If his bid were 10 cents an hour less on a job entailing 500,000 hours, there is no question that he would receive the contract. If, after the contract was performed, the judicial review decision said he was wrong, and that the prevailing wage in vogue was the one determined by the Davis-Bacon officials, what would happen to the contractors who lost the contract? What would happen to the workers who were denied work because the other contractor lost the contract?

Damages could be assessed, but what good would that be for the worker who lost a job because of "cutthroat bidding," which is exactly what former Congressman, then Senator, Davis and Congressman Bacon of New York tried to stop.

In fact, there was a very famous case in the city of New York, if I am not mistaken, that caused the entire field of Government contracts to be opened up for this kind of determination. I think it was Robert Bacon, coauthor of this act, in 1927, 4 years before the passage of the act on the floor of this House, who said, "I want to cite a specific instance which brought this whole matter to my attention. The Government is engaged in building in my district a Veterans' Bureau hospital." The situation that existed at that time allowed an out-of-State contractor to come into the city of New York and to build this hospital with out-of-State labor. They were hired at a very low wage. Remember that this act was only created to stop unfair bidding because of the exploitation of labor. If you did not have it today, you would have every contract of the Federal Government being let to some person exploiting labor in a low-wage area. A contractor who, because of conditions existing in his area, is forced to work in an area where he has decent, legitimate labor conditions, would be out of every contract given by the Federal Government. Even today under the present act, because fringe benefits are not covered, you have the out-of-State contractor.

If I have 1 more minute, I want to tell you about your 70 percent. The 70 percent you relate to was brought before the subcommittee by the Maryland contractors and the Washington, D.C., contractors who have what they call a floating work force. They will only cover 30 percent of their employees as regular employees and then they will borrow from one another, and they will draft from each of the so-called nonunion contract agreements these workers covered by a contract with another employer. They all get fringe benefits, but they do not all happen to get them from the contractor who happens to have the Government contract at that moment. Each of them is covered by fringe benefits under another contractor.

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

Mr. DENT. I will have to yield if you persist in it.

Mr. GOODELL. We have a very, very serious problem there because workers do go from one employer to another. Usually do not stay with one employer in the construction industry. So the contribution is often made and never available to the employee himself.

Mr. DENT. That has nothing to do with the cost to the employer.

Mr. Chairman, it is essential that we approve H.R. 6041 if we are to give real meaning to the prevailing principle embodied in the Davis-Bacon Act.

It is time we passed this legislation. The original purpose of the Davis-Bacon Act was to make sure that Federal construction would not have a depressing effect upon the wages of local construction workers; that contractors would not be able to submit the low bids on Government construction contracts by cutting the prevailing wages paid to workers.

At the time of original enactment in the early thirties, workers received their hourly or overtime rate of pay and there was usually no further consideration for the work performed. Today, and indeed to an increasing extent since World War II, workers receive other considerations for their services, in the form of medical, retirement, unemployment, insurance, and other benefits. Employers and unions either jointly or individually are continuing to establish plans and programs providing these fringe benefits for employees and their families. Latest figures show that some 6,670 such plans exist in the construction industry alone.

During the past two decades significant changes have occurred in our wage customs and practices. One of the most striking examples of these changes is the tremendous growth of welfare and pension plans. In 1931, when the Davis-Bacon proposals became law, private welfare and pension plans to provide fringe benefits were virtually unknown. At the end of 1961, 78 percent of the Nation's employed wage and salary labor force had life insurance coverage; 70 percent had some form of health insurance; and, of the non-Government wage and salary labor force, 45 percent had the protection of private pension plans. The growth rate in coverage under pension plans is running over 1 million workers a year. The number of workers covered by private pension and deferred profit-sharing plans in 1961 was 22.6 million, and it is currently running nearly 25 million.

A further index to the growth of employee-benefit plans is the amount of employer and employee contributions and the amount of benefit outlays. Combined employer-employee contributions to employee-benefit plans amounted to $13.3 billion in 1961, an increase of 7.5 percent over 1960. Benefits paid under all types of employee-benefit plans rose approximately $911 million, to a total of $8.8 billion, 11.6 percent over 1960.

It is as important today as it was in the early thirties that the standard of living built up for the construction workers and their families not be undermined by competition for Government business. Unemployment is still disturbingly high, particularly in the construction industry. Other forces, such as automation and the growing work force, are further complicating the functions of the labor market.

Our colleagues in the thirties had the wisdom to provide against undercutting of local wage standards through competition for Government business. Certainly, we should display as much wisdom in the fluctuating economic climate of the sixties—to bring Federal construction wage standards in line with present-day conditions. Failure to enact this bill is to invite a return of the problems we faced in the days before the original act. Let us follow the good example of the eight States which already include fringe benefits such as welfare and pension funds in their prevailing wage laws.

I urge my colleagues to join me in support of this legislation.

ARGUMENTS AGAINST POSSIBLE GOODELL PROPOSAL PROVIDING NONDISCRIMINATION OF FRINGE BENEFITS BEFORE THEY CAN BE CONSIDERED BY THE SECRETARY OF LABOR

First. What evidence does my good colleague [Mr. GOODELL] point to to show there has been such arbitrary discrimination on the basis of lack of union membership or color?

I would like the gentleman to cite to me the particular portion of the hearings where such evidence was introduced.

Second. If the gentleman is talking about union discrimination in this area, I would call to his attention that such discrimination to limit the eligibility for benefits under a plan to employees who are union members is illegal under the National Labor Relations Act—in re Jandel Furs 100 NLRB 1390, 1952—or to arbitrarily exclude any employee within the bargaining unit—Miranda Fuel 140 NLRB 181 Enf. Den. 2d Circuit.

The President's Committee on Equal Employment Opportunity, I would like to remind my colleague, has jurisdiction over eliminating discrimination on Government contracts or assisted programs. This problem, therefore, could properly be handled by that Committee.

Third. The Davis-Bacon Act is not the proper instrument to deal with this problem even if such problem does exist, which I submit that there has been no evidence that it does.

Under the bill the Secretary of Labor is obligated to ascertain whether the contractor has made a contribution to a plan, fund, or program. Whether the employees actually will receive the benefit of these contributions is a matter which the Congress had decided to leave to the individual people setting up these plans.

As the Members of this House well know, when Congress passed the Welfare and Pension Plans Disclosure Act of 1959, it was then determined to keep the Government out of the area of regulating how the money in the fund should be invested or who would be entitled to the benefits under the funds.

If it is now the wish of the House to consider this action, I suggest that legislation be duly brought before the proper committee to give these matters careful consideration.

Mr. Chairman, every labor-management contract negotiation takes into consideration the fringe benefits along with basic wage.

In every case you will find that when a contract is completed the agreement is listed as a package wage agreement. Any division of basic wage and fringe benefits is then made under subtitles or by explanatory references.

For instance a contract agreement is presented as a 25-cent-an-hour wage agreement divided into one, two, three, or more categorical benefits. It may give workers 10 cents an hour wage, 6 cents an hour pension and welfare, 4 cents supplemental unemployment compensation and 5 cents an hour accumulative extra vacation time.

In determining cost of a finished product, normal management procedure is to measure labor costs in a lump sum under the heading of wages, to which they add raw materials, taxes, supervisory, advertising, public utilities, and any other fixed costs added by either local or State rules or regulations.

It would certainly create a serious problem if fixed limit income enterprises such as public utilities were to be disallowed fringe benefits as a wage cost.

Those of us who come from States having wage tax levies can understand why some of the opposition is disturbed over the legislation.

To these operators I can only advise that this wage determination being argued today is solely for the purpose of guaranteeing a precontract determination of prevailing wage to assure all contractors an equal opportunity in Federal bidding and to give labor an equal job opportunity on Federal projects and contracts.

The whole purpose of the Davis-Bacon Act is negated and set aside by the failure to make mandatory the prevaling wage determination including fringe benefits.

This bill attempts to bring up to date the original aims of the Davis Bacon Act.

Although both Davis of Pennsylvania and Bacon of New York were Republicans they recognized the dangers involved in cutthroat bidding when such bidding was based in most cases upon exploitation of workers in certain areas of the country.

Basically the whole intent of the act was to create a fair set of ground rules for the determination of wages paid to workers by contractors working for the Government.

Congressman Bacon had this to say in 1927, 4 years before he succeeded in getting the act approved by the Congress in 1931:

I want to cite the specific instance that brought this whole matter to my attention. The Government is engaged in building in my district a Veterans' Bureau hospital. Bids were asked for; several New York contractors bid, and in their bids, of course, they had to take into consideration the high labor standards prevailing in the State of New York. I think I can say that the labor standards in New York are very high. The wages are fair, and there has been no difficulty in the building trades between the employee and employer in New York for some time. And the situation existed therefore, and the New York contractors made their bids, having the labor conditions in mind. The bid, however, was let to an out-of-State contractor and some thousand out-of-State laborers were brought to New York. They were hired into this job, they were housed, and they were paid a very low wage, and the work proceeded. Of course, that meant that labor conditions in this part of New York State where the hospital was being built were entirely upset. It means that the neighboring community was very much upset.

Mr. Chairman, I am strongly opposed to providing for judicial review of fringe benefit determinations, whether such a proposal is offered for consideration on the floor or in connection with a motion to recommit the bill.

The compelling reasons why a "judicial review" provision applying to the act as a whole should not be adopted have already been discussed with force and clarity. These reasons are equally valid in opposing any effort to provide for judicial review of fringe benefit determinations.

Fringe benefits are now an integral part of an employee's wages and an integral part, therefore, of any wage determination issued by the Department of Labor. To provide for review of the determination of fringe benefits without any review of the cash wage determination would be complete unrealistic.

The same record which is used as the basis for one determination is also used as the basis for the other. It would be completely impractical to "split" this record. The bid specifications must include the total wage determination, if the bidders are to know what their obligations under the Davis-Bacon Act will be.

As to judicial review generally, the Committee received persuasive testimony that judicial review was impractical. On the other hand, officials of the Department of Labor discussed a plan for administrative review. The Secretary of Labor has recently established a Wage Appeals Board within the Department of Labor to review wage determinations under the Davis-Bacon Act and several other matters.

At the very least, we should wait to see just how successfully this Board operates before proceeding to consider judicial review.

Judicial review is not only impractical but unworkable in an area such as Davis-Bacon simply because the prevailing wage must be determined before a contract is let.

If a review takes place after the contract has been let and the case is not completed until after the work has been started or even completed, how does the injured contractor and his workers recover their losses. It may well be that the court will determine that the successful contractor was in violation of the prevailing wage determination and could possibly make up the wage differential by paying the workers the difference between his contract price and the wage determined by the Department.

This creates a much greater injustice than any injunction that could possibly occur under the wage determination proposed by the act.

The testimony before this Committee showed beyond any doubt that organized contractors in this very area employ a few employees with fringe benefits and then trade or borrow from each other on specific contracts. This gives these member contractors who are nonunion in many instances a bidding advantage over the competition.

PERSONAL OBSERVATIONS ON PREVAILING WAGES ON FEDERAL CONSTRUCTION

Mr. Chairman, as administrations have changed in the past, there has been a shift of emphasis from favoring the collective-bargaining rate to favoring the rate paid to the majority in a given area as the prevailing rate under the Davis-Bacon and related acts.

Both of these emphases have been right, it might better be said that neither has been wrong. The legislative history of the Davis-Bacon Act shows that Congress was given two definitions of prevailing wage. The first was the rate paid pursuant to collective bargaining and the second was the rate paid to the majority in a given area. The Congress did not choose between the two. The Davis-Bacon Act merely states that the wages shall be "prevailing."

A review of the recent hearings on the fringe benefits bill shows clearly that there can be little agreement on what is actually the prevailing wage when it is arrived at through payment evidence. The arguments which arise are many and varied. Should man-hours be considered? What kind of projects should be considered? What period of time should be considered? The choice which the wage determiner makes in each of these instances influences the ultimate decision, good or bad depending upon which side you happen to be.

Almost one-fourth of the several States have adopted the collective-bargaining wage as the prevailing wage on construction of public works. At the recent convention of the International Association of Governmental Labor Officials in Richmond, Va. (45 States represented) a model wage law was unanimously adopted by those present which provided for the collective-bargaining wage as the prevailing wage.

As a matter of policy, the Congress of the United States should take a position that the collective-bargaining rate should be the rate considered prevailing on Federal construction of public works. This policy would result in a widening of competition and a resultant saving to the taxpayer, a higher quality in the finished product and a decent living wage to the workers on Federal projects. Such a wage would stabilize our economy and show the populace that the Congress is deeply concerned that each worker, at least in the area of Federal construction, receives a wage rate which is the result of bargaining between qualified representatives of labor and management rather than a wage negotiated between a lone individual worker and a contractor who all too often is concerned more with his profit than the welfare of his workers, especially in a time when workers are in abundant supply.

Mr. Chairman, I would like to read to the House at this time a well defined, logical, and legal review of the judicial review provisions proposed by the oppo-

nents of all necessary reforms dealing with wage determinations:

Hon. JOHN DENT,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: I am enclosing, for your information, a copy of a legal opinion rendered by the lawyers for the building and construction trades department and its affiliated organizations on the subject of legislative proposals to provide for judicial review of wage predeterminations under the Davis-Bacon Act and for a new system of judicial review of enforcement procedures under that act. This legal opinion is supported by a documented legal analysis which is also attached.

It is the conclusion of our lawyers that the judicial review proposals would not be workable with respect to wage predeterminations and that it is not needed with respect to enforcement procedures which are presently subject to an adequate system of judicial review through the U.S. Court of Claims.

Sincerely yours,

WALTER J. MASON,
Director of Legislation.

JANUARY 23, 1964.

Mr. C. J. HAGGERTY,
President, Building and Construction Trades Department, AFL–CIO, Washington, D.C.

DEAR MR. HAGGERTY: This is in response to your request for a legal analysis of H.R. 9590, a proposal to amend the Davis-Bacon Act by providing for judicial review of wage predeterminations and to provide new judicial review procedures with respect to enforcement of that act.

The undersigned are the legal counsel for the various labor organizations in the building and construction industry. Each of us has specialized in the field of labor law and, in particular, with respect to the legal problems involving labor in the building and construction industry.

We have given careful consideration to the proposal in the Goodell bill (H.R. 9590) to amend the Davis-Bacon Act for the purpose of providing a new system of judicial review. It is our unanimous conclusion that the judicial review proposal would not be workable insofar as the predeterminations of wage rates under this act are concerned. We also believe that the legislation is not needed insofar as enforcement procedures are concerned because there is presently available an entirely adequate system of judicial review of these enforcement procedures by way of suit in the U.S. Court of Claims.

The present system of wage predeterminations has the important value of giving all competing contractors definite and uniform wage rates as the basis for making cost estimates in their formulation of bids. The Goodell judicial review proposal would render uncertain the predeterminations of the Secretary of Labor because no one would know in connection with any contract whether the final judicial judgment would establish a rate different from the predetermined rate on which contractors bid. This would result in placing contractors in a position where they would have to take a business gamble on the final judicial judgment. Contractors who submit bids on the basis of the predetermination would be at a competitive disadvantage as against those who take the risk of estimating on a lower rate which they think will be supported by the final judicial judgment.

The original Davis-Bacon Act of 1931 contained a provision that the wages paid "shall not be less than the prevailing rate of wages" and left the issue of the determination of the prevailing rate to a post hoc determination by the Government. The difficulties created by this system led to the current procedure of predeterminations in the present act. The basic reason for the change was set forth succinctly by the Associated General Contractors in a letter by Mr. Walbridge to President Hoover which states that:

"We ask only that the officials who are now charged with making decisions as to what constitutes the prevailing wage to exercise the same function previous to the taking of bids, thereby placing all bidders on a parity and again establish competitive bidding on a known basis." (Legislative History, Davis-Bacon Act, p. 47.)

It is our view that adoption of the Goodell judicial review proposal would return the administration of the act to the difficulties which were the reason why the law had to be changed to the present system of predeterminations.

It must also be recognized that the judicial review proposal must, in order to avoid serious constitutional problems, provide for judicial review at the instance of individual employees as well as labor organizations. There are 50,000 predeterminations issued by the Secretary of Labor each year which involve 5 million different wage classifications. We believe it is reasonable to anticipate that many suits may be filed at the instance of individual employees and classes of employees, not necessarily organized into labor unions, for the purpose of increasing the wage rate above the level predetermined by the Secretary of Labor. It is our judgment that it would be reasonable to anticipate a substantial wave of litigation in this regard which may duplicate the conditions under the wage-hour law which led to the adoption of the Portal-to-Portal Act.

The Davis-Bacon Act has been in operation for more than 30 years without a procedure for judicial review of the validity of wage predeterminations. The complexities and intricacies of the problems created by the Goodell judicial review proposal are such, in our judgment, that they require careful examination by committees of the Congress after adequate and full hearings.

It is respectfully submitted that the floor of the House is not the proper place to draft an original proposal for judicial review of the Davis-Bacon Act.

Respectfully submitted.

Louis Sherman, general counsel, Building and Construction Trades Department, AFL–CIO, and International Brotherhood of Electrical Workers, AFL–CIO, Washington, D.C.

Lester Asher, general counsel, United Slate, Tile and Composition Roofers, Damp and Waterproof Workers Association, AFL–CIO, Chicago, Ill.

Frank Grayson, general counsel, International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, AFL–CIO, Kansas City, Kans.

Vincent Morreale, general counsel, International Hod Carriers, Building and Common Laborers Union, AFL–CIO, Washington, D.C.

Clarence M. Mulholland, general counsel, Sheet Metal Workers' International Association, AFL–CIO, Toledo, Ohio.

Martin F. O'Donoghue, general counsel, United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, AFL–CIO, and Operative Plasterers and Cement Masons International Association, AFL–CIO, and International Union of Elevator Constructors, AFL–CIO, Washington, D.C.

Joseph A. Sickles, general counsel, International Association of Heat and Frost Insulators and Asbestos Workers, AFL–CIO, Washington, D.C.

Harold Stern, general counsel, International Association of Bridge, Structural and Ornamental Iron Workers, AFL–CIO, New York, N.Y.

Herbert S. Thatcher, general counsel, Brotherhood of Painters, Decorators and Paperhangers of America, AFL–CIO, Washington, D.C.

Frank Ward, general counsel, United Brotherhood of Carpenters and Joiners of America, AFL–CIO, Washington, D.C.

Louis H. Wilderman, general counsel, Wood, Wire and Metal Lathers' International Union, AFL–CIO Philadelphia, Pa.

J. Albert Woll, general counsel, International Union of Operating Engineers, AFL–CIO, and Bricklayers, Masons and Plasterers' International Union, AFL–CIO, Washington, D.C.

SUMMARY OF ANALYSIS OF CONGRESSMAN GOODELL'S AMENDMENT TO PROVIDE JUDICIAL REVIEW IN THE DAVIS-BACON ACT

1. The fringe benefits bill (H.R. 6041) has been reported favorably by the House Committee on Education and Labor by an overwhelming favorable vote after full and careful hearings. The Rules Committee, by a vote of 11 to 2, has reported the bill with an open rule under which a judicial review amendment is not germane. The floor of the House is no place to draft and vote on the complexities of a judicial review amendment which has not been the subject of hearings.

2. Under regulations just issued by the Secretary of Labor, an independent appeals board made up of public members not on the payroll of the Department of Labor has been established for the first time to afford review of wage predeterminations. In addition, at the present time, contractors have a right of judicial review of the enforcement procedures of the Davis-Bacon Act before the Court of Claims. There is, therefore, no need for hasty floor consideration of the Goodell judicial review amendment.

3. Under the Goodell judicial review amendment, unscrupulous contractors will be tempted to take a "business gamble" by basing their bids on rates lower than the predetermined rate which they think they can establish through later judicial proceedings. The present system of fair and competitive bidding will be seriously impaired, for contractors who submit bids on the basis of the predetermined wage rates and do not take a "business gamble" will be placed at a competitive disadvantage. A fair and competitive bidding system can continue only if final wage predeterminations are known prior to the opening of bids. Obviously, however, final judicial determinations—such as those contained in the Goodell proposal—cannot be made prior to the opening of bids.

4. The Goodell bill (H.R. 9590) authorizes—as it must to avoid serious constitutional problems—suits by individual employees and unions, as well as by contractors and bidders, to secure judicial review of wage predeterminations of the Secretary of Labor. There are 50,000 annual predeterminations involving 5 million wage classifications. This will incite a wave of litigation comparable to the flood of wage-hour suits which led to the enactment of the Portal-to-Portal Act.

LEGAL ANALYSIS OF THE JUDICIAL REVIEW PROPOSAL CONTAINED IN H.R. 9590

H.R. 9590, a bill introduced by Representative GOODELL on January 8, 1964, proposes to amend the Davis-Bacon Act by providing judicial review of wage predeterminations issued by the Secretary of Labor and of enforcement proceedings under this act. This bill has been referred to the House Committee on Education and Labor which has obviously had no time to give it consideration.

It should be noted that the House Committee on Education and Labor reported the fringe benefits bill on May 9, 1963, and that at no time during 1963 did Congressman GOODELL or any other Congressman introduce a judicial review bill for consideration by the committee. Actually, Congressman GOODELL did introduce a bill on April 4, 1962, to

provide for judicial review of Davis-Bacon Act administrative actions but his recent bill of January 8, 1964, contains so many changes in the 1962 bill that it is clear that the original bill is not considered an appropriate vehicle for consideration of the amendment.

The delay in formulating a legislative measure for committee consideration is an index to the difficulty and intricacies of the subject matter.

The analysis of H.R. 9590 which is set forth below demonstrates clearly that the decision by Congress on the matter of judicial review should be made only after hearings on a specific measure at which testimony can be secured from experts in the contracting agencies, the Comptroller General's Office, the Department of Labor and from industry and labor. The complexities of Government contract bidding and enforcement procedures are such that unwise decisions on the floor of the House can be avoided only by appropriate study of specific proposals, through the time-honored method of hearings before the appropriate House subcommittee and a report by the full committee.

H.R. 9590, is a substantial revision of the proposals contained in H.R. 11115, introduced by Representative GOODELL on April 4, 1962. Under the earlier bill, the review procedure would have been initiated by a charge that a contractor paid wages less than those stipulated in his contract and less than those found prevailing under the act. Thereafter, the Secretary of Labor was to investigate the charge, hold a hearing, issue findings and determine wages owing by the contractor. Persons aggrieved by such a decision could have sought reviews from a U.S. court of appeals, which was specifically authorized to stay any action under sections 2 and 3 of the act, pending completion of judicial review. The proposal contained in H.R. 11115 was defective in several respects in terms of the orderly operation of the act and the relative position of fair and unfair contractors. H.R. 9590 appears to be an attempt to avoid the problems arising from the earlier judicial review proposal. For the reasons discussed below, however, the new bill is subject to the same criticism.

PROVISIONS OF THE BILL

H.R. 9590 provides two avenues for judicial review. Section 1 of the bill would add a new section 8 to the act permitting "Any person (defined to include contractors, subcontractors, bidders, prospective bidders, labor organizations, employees, prospective employees and public and private contracting agencies), aggrieved by a wage determination" to initiate an action in a U.S. district court against the Secretary of Labor and the contracting agency to "enjoin the application of such wage determination to the invitation for bids for the advertised contract and to determine the prevailing wage lawfully applicable thereto." Such action must be commenced within 15 days after the publication of the advertised specifications which contain the challenged wage determination. The district court is empowered to issue a temporary restraining order relieving all bidders from stipulating that they will comply with the determination being challenged, provided, that the court may require any bidder to whom the contract is awarded to post an indemnity bond to guarantee the fulfillment of any wage obligation if the challenged determination is sustained. The court is then charged with the duty of deciding whether the challenged determination was in accordance with law, and, if not, to establish the prevailing wage. Thereafter, review is provided to the appropriate U.S. Court of Appeals and the U.S. Supreme Court.

Section 2 of H.R. 9590 would amend section 7 to provide that whenever it is claimed that a contractor or subcontractor has failed to pay the prevailing wage rate, the contracting agency is to investigate the claim and issue a written ruling on the claim. No penalties, including the withholding of funds from the contractor or subcontractor, can be imposed prior to such ruling. Any contractor or subcontractor aggrieved by such a ruling may bring a de novo action in the U.S. district court where the violation is alleged to have occurred. The district court, which may stay any penalty pending the completion of judicial review, is to determine whether the contractor or subcontractor has failed to comply with his obligations under the wage provisions of his contract. Similarly, employees aggrieved or adversely affected by the ruling of the contracting agency may seek review in a U.S. district court. While employees may maintain such actions on behalf of other employees similarly situated, only those employees who give their consent in writing may become a party plaintiff to any action brought under this section. It may be noted here that this limitation is entirely contrary to the recognized concept of a class action. In practice, this provision will operate in discriminatory fashion, since some employees will recover additional sums owing to them under the law, while others, entitled to exactly the same sums, will not receive them because of their failure to consent in writing to become a party. Following the decision of the district court, review is provided to the U.S. Court of Appeals and the Supreme Court. Although it appears that section 7 is intended to be limited to enforcement, there is no explicit statement in the bill that the validity of wage predeterminations cannot be challenged in the judicial proceedings related to the enforcement issue. The language of section 7(d) is of such ambiguous nature that it is possible that the validity of a wage predetermination could be challenged in a section 7 case. The answer to such question would not be known, under the present language of the bill, until a judicial test case had been completed.

EXISTING ENFORCEMENT PROCEDURES AND THE EFFECT OF THE BILL

To understand the detrimental effects upon the operation of existing law which would result from the enactment of H.R. 9590, it is necessary to review briefly the present enforcement machinery contained in sections 1 to 3 of the act. Section 2 presently provides that, upon a finding by the contracting officer involved that any laborer or mechanic is being paid a rate of wages less than that required to be paid by the contract, the Government may terminate the contractor's right to proceed with the work involved, to complete the work, through other means and to recover from the contractor any existing costs occasioned by his violation. Section 3, read in conjunction with section 1, authorizes the Government to withhold from a contractor so much of any accrued payments as may be necessary to pay to his employees the difference between the rate of wages required by the contractor to be paid them and the rates actually received by them, and authorizes the Comptroller General of the United States to pay directly to the employees affected the wages so withheld. In addition, the Comptroller General is authorized to distribute to all Government departments a list of contractors whom he has found to be in violation, and such firms may receive no further contracts for a period of 3 years from the date of their appearance on the list.

The effectiveness of these enforcement procedures arises from the fact that, with the exception of the ineligible list, they come into play while the work is still in progress. Under both of the Goodell bills, however, provision is made for the delay of these enforcement procedures until all administrative and judicial appeals have been exhausted. Under proposed section 7, the contractor can wait until a claim of violation is made, and then proceed to an investigation before the contracting agency. Thereafter, he may start all over again by bringing a de novo action in the U.S. district court and again follow the appeal route up through the Supreme Court of the United States. And, during all of this lengthy period, the withholding order of the Government may be stayed by judicial order.

Under proposed section 7, it is specifically provided that no penalties, "including the withholding of funds from the contractor or subcontractor," can be imposed prior to the ruling of the contracting agency. Further, upon initiation of a de novo action in a U.S. district court, the court has authority to stay any penalty imposed "pending the completion of judicial review." Thus, a contractor receiving an adverse ruling could seek—and in most situations obtain—a stay of the well-established and necessary withholding procedure. Since, as noted above, no presumption of validity can attach to the Secretary's determination based on prior administrative rules, practices, etc.—which would ordinarily serve as support for the administrative action challenged and thus as a defense to a request for a stay—the likelihood that the contractor will be able to stay this essential enforcement procedure is further enhanced. In effect, the admitted danger has been disguised, but not removed.

As noted above, the provision for an indemnity bond is made permissive by use of the word "may." In view of the not uncommon business occurrence of bankruptcy of contractors, such a provision cannot be fully effective to protect employees covered under the act unless it is made mandatory. In any event, even a fully effective indemnity bond for purposes of employees' protection does not mitigate against the damage to our fair bidding system, as described more fully below.

JUDICIAL REVIEW IN ENFORCEMENT PROCEEDINGS IS NOW AVAILABLE

It should also be noted that, at the present time, contractors who feel aggrieved by the enforcement procedures of the Davis-Bacon Act have the right of judicial review from the Court of Claims. Generally, this review arises through an action by the contractor to recover from the Government wages which he was required to pay in excess of those specified in his contract. In such a suit, the subjects open to review include whether the Government acted properly in withholding funds, whether the Government is responsible for increased labor costs to the contractor, whether the affected employees performed work which would place them in the classification requiring the increased payments to which the contractor objects, the amount of time worked by employees in the pertinent classifications, etc. Thus it is not accurate to say that a contractor has no right of judicial review under present operation of the act. And, the present form of judicial review in no way impairs the effectiveness of the statutory enforcement procedures.

DAMAGE TO OUR FAIR BIDDING SYSTEM

The proposals in H.R. 9590 will also tend to destroy or weaken the contract bidding and awarding procedures as such. Contractors are invited by the bill to base their bids or rates less than those predetermined by the Secretary of Labor as prevailing, pay their laborers and mechanics wages at such lower rates and seek review of the determination through the proposed judicial procedures. Even the most scrupulous contractor may be forced to take a "business gamble" on the rate to keep himself in a competitive position. Those even vaguely familiar with the process of appellate litigation realize that 3 or 4 years may pass before such an appeal procedure would be completed. Indeed, in this respect, the new bill is even worse than the old one which provided for

initial court review in a court of appeals. Under H.R. 9590, however, the first step of judicial review begins with a district court determination. Whatever the results of the review proceedings, the contractor will have obtained his contract on a cost basis different from his competitors who used the specified prevailing wage rates in figuring and submitting their bids. The judicial review proposal thus operates in a manner contrary to a full and fair system of fair and competitive bidding, and places fair bidders who are operating in a manner consistent with the law at a disadvantage.

Obviously no final judicial determination can be made of the validity of Davis-Bacon Act predeterminations prior to the opening of bids in the particular Government contract.

The danger to a fair bidding process and to the orderly administration of the Davis-Bacon Act can be brought into sharp focus by a brief examination of the legislative development of the act. The 1931 act required only that advertised specifications for covered contracts contain a provision that the wages paid "shall not be less than the prevailing rate of wages * * *." The act contained no provision for a system of wage predeterminations or for effective enforcement machinery. Almost immediately following passage of the act, many contractors, as well as the Comptroller General of the United States, recognized the danger of a system of postdeterminations rather than predeterminations.

An amendment to the act was passed in 1932 which, to establish a system of wage predeterminations, required a provision "stating the prevailing rate of wages as determined by the Secretary of Labor." In addition, the amendment added enforcement provisions. (See Senate report to accompany S. 3847, 1932, p. 1.) The act was vetoed by President Hoover. During the hearings which preceded the 1932 amendment, representatives of the National Association of Builders Exchanges and the Associated General Contractors supported the amendment. The Associated General Contractors, in a letter by Mr. Walbridge to President Hoover, stated that:

"We ask only that the officials who are now charged with making decisions as to what constitutes the prevailing wage to exercise the same function previous to the taking of bids, thereby placing all bidders on a parity and again establish competitive bidding on a known basis." (Legislative History, Davis-Bacon Act, p. 47.)

In a letter to Congressman Connery, Mr. Harding of the Associated General Contractors stated it would be for the good of all that prevailing wages should be stipulated and made a part of the advertisement, specification, and contract. Congressman Mead of New York urged passage of the amendment as protection for workers and builders and to the end that "all contractors would have an equal and fair opportunity."

Congressional hearings in 1933 and 1934 added further evidence of the need of enforcement machinery and a system of wage predeterminations. These hearings led to passage of the Copeland (anti-kickback) and False Statement Acts of 1934, and the Davis-Bacon Amendments of 1935. The 1935 amendment added the requirement that the advertised specifications contain a provision stating the minimum wage to be paid "which shall be based upon the wages that will be determined by the Secretary of Labor."

Thus, for the first time, a system of wage predeterminations by the Secretary of Labor became a part of the law. The purpose of the amendment in this regard is clearly stated by the Senate and House reports accompanying S. 3303 at page 7:

"To provide for a predetermination of the prevailing wage on contracts so that the contractor may know definitely in advance of submitting his bid what his approximate labor costs will be."

Reduced to its fundamentals, the proposals embodied in H.R. 9590 will have the effect of returning the law and conditions thereunder to the status existing prior to the 1935 amendments; a status which representatives of industry and the Congress recognized were not desirable or feasible. In operation, these proposals would strip the act's enforcement machinery of its effectiveness and would do away with the system of wage predeterminations. The ideas underlying these proposals are neither new nor feasible. They have been tried, and abandoned nearly 30 years ago.

Labor unions are in favor of all valid procedures which assure proper compensation for employees. We must point out, however, that the availability of judicial review proceedings to labor organizations and employees and prospective employees (all of which is probably necessary from a constitutional point of view if there is to be judicial review for employers) would add a further uncertainty to the bidding process. Even if all contractors bidding on a particular job use the Secretary's predetermination and do not challenge same in court, the challenge may come from the employee side to secure a higher rate.

The inclusion of the judicial review amendment may have the effect of starting a wave of litigation comparable to the flood of wage-hour suits preceding the Portal-to-Portal Act.

The backlog on our already overburdened courts, and particularly the U.S. district courts, is a fact well-known to lawyers and lawmakers alike. Yet, the proposals embodied in H.R. 9590 would add substantially to the burdens of these district courts—which have little knowledge of or experience with the subject matter involved—and, in the process, serve to increase the delay in a final determination in ever-increasing fashion. The problems of the district courts under both proposed sections is made even more difficult by the fact that the actions before them are either specifically made a de novo action or are in the nature of such an action.

Specifically, under proposed section 8, the district court, if it finds that the wage predetermination of the Secretary of Labor was not made "in accordance with law" must "determine the prevailing wage" itself, and, in the course of its review, the court is not permitted to accord any presumption of validity to the Secretary's determination by reason of any prior administrative finding, action, practice, policy, or rule. Under proposed section 7, the action is specifically designated as a de novo action, and, once again, no presumption of validity can be accorded the administrative agency's finding of violations. The courts are thus invited to second guess the Secretary of Labor and the contracting agencies and to substitute their judgment for that of administrative officers, even though such judgments may be supported by substantial evidence in the record. It is to be noted in this regard that under proposed section 7(b) of Representative GOODELL's original bill, H.R. 11115, the findings of the Secretary as to the facts were to be conclusive if supported by substantial evidence—which is the more customary provision in the relationship of administrative agencies to courts.

If only a small percentage of the some 5 million individual determinations issued yearly were subjected to this proposed procedure, the magnitude of the increased burden on our courts would be staggering. By subjecting the effectiveness of the existing enforcement machinery under the act to a cumbersome system of continual delay, the proposal would have as its end result the emasculation of that enforcement machinery.

CONCLUSION

There is no need for a new procedure for judicial review of enforcement cases because the present Court of Claims judicial procedure is entirely adequate to remedy any injustices caused by the contracting agencies to contractors.

It is not possible to have predeterminations and the judicial review of such predeterminations proposed by H.R. 9590, because no judicial review proceeding could be processed to final judgment of the Supreme Court or even a circuit court of appeals before the bids are submitted on a particular Government construction contract.

Mr. Chairman, the foregoing opinion was submitted through Walter J. Mason, legislative director of the Building and Construction Trades Department of the AFL–CIO at my request.

As further evidence of widespread support for this legislation I will read from just a few of the official letters received from various vitally affected groups:

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
Washington, D.C., October 16, 1963.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN DENT: We earnestly solicit your support for a most important piece of legislation in the field of labor-management relations which is now under consideration by the Rules Committee of the House of Representatives. We refer to H.R. 6041, a bill to include fringe benefits in the wage predeterminations issued under the Davis-Bacon Act.

This bill would place all construction contractors, whether working on a union or nonunion basis, on equal competitive terms. It would eliminate the present unfair advantage enjoyed by nonunion contractors on federally financed construction who do not pay fringe benefits to employees. This is truly one of the most important bills pending before the Congress at this session.

During the stabilization program in the World War II and Korean periods, increases in cash wages were held down and in their stead approval was given in many cases to various fringe benefits which have since become a substantial part of the wage compensation of a worker. Because such fringe benefits were virtually unknown when the Davis-Bacon Act was enacted in 1931 it made no provision for their consideration in arriving at predetermined wages under the act. H.R. 6041 would bring this legislation up to date and recognize current compensation practices in the construction industry.

We ask your support for the committee bill, without amendment, when it reaches the House floor. If you can expedite the issuance of a rule this also would be deeply appreciated. Although this measure will directly affect only that part of our membership in the construction field, the bill has the whole-hearted support of our entire 800,000 members.

With thanks for your consideration.

Sincerely yours,

GORDON M. FREEMAN,
International President,
JOSEPH D. KEENAN,
International Secretary.

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS & HELPERS,
Kansas City, Kans., October 9, 1963.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: On behalf of the 125,000 members of the International

Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers & Helpers, AFL–CIO, I advise you that our organization is in full agreement with and supports H.R. 6041, the bill to include fringe benefits in the wage predeterminations issued under the Davis-Bacon Act.

This is certainly fair and equitable legislation that would put all contractors on the same competitive basis when bidding on work coming under the scope of the Davis-Bacon Act.

Accordingly, I urge your favorable consideration and support of H.R. 6041, without amendments, when this bill reaches the House floor for a vote.

Sincerely,

RUSSELL K. BERG,
International President.

LOCAL UNION NO. 333, UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
New Kensington, Pa., June 17, 1963.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

DEAR SIR: We of local union 333 would appreciate your support of H.R. 6041. We have long felt this unfair inequity should be adjusted.

Respectfully yours,

B. M. REMALEY,
Vice President.

NORTHERN WESTMORELAND COUNTY, PA., UNITED LABOR COUNCIL, AFL–CIO,
New Kensington, Pa., July 11, 1963.

Congressman JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR SIR: Please be advised that the members of the Northern Westmoreland County, Pa., United Labor Council, AFL–CIO, representing labor unions in Westmoreland, Allegheny, and Armstrong Counties, are in favor of bill H.R. 6041 and they are requesting that you go on record in supporting and voting for this very important bill.

Very truly yours,

WILLIAM SNYDER,
Recording Secretary.

INTERNATIONAL UNION OF OPERATING ENGINEERS,
Washington, D.C., October 15, 1963.

To the U.S. House of Representatives:

DEAR CONGRESSMEN: As you know, H.R. 6041, a bill to include fringe benefits in the wage determinations issued under the Davis-Bacon Act, is now before the House Rules Committee with hearings.

We, in the construction industry, sincerely feel that this bill should be passed in fairness to everyone. When the Davis-Bacon Act was originally enacted, fringe benefits were the exception, rather than the rule, in this industry. We believe that it was the intent of Congress to establish fair competitive bidding for this industry. The intervening years have brought considerable changes in the industry and the standard of living for many has been raised through fringe benefits. However, competitive bidding in recent years has begun to threaten this standard of living and those contractors who are providing fringe benefits are finding it increasingly difficult to compete with those contractors who seem little concerned about the welfare of mankind and who do not provide such benefits.

We believe that the passage of H.R. 6041, without amendments, is long overdue and its need is extremely vital if we are to restore fair competitive bidding on government construction. We respectfully urge your strong support for passage of H.R. 6041, without amendments.

Sincerely yours,

HUNTER P. WHARTON,
General President.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, I take this time only because, due to the shortness of the time of the gentleman from Pennsylvania [Mr. DENT] I was not able to make this point.

The gentleman passed over the problem of determining what is prevailing. Under the present Davis-Bacon Act, when the Administrator goes into an area, he has to find out how many employees are affected. The number of employees affected are vital. It is absolutely essential to know this if you are going to make a decision as to what prevails in that area. Now, this bill is putting in fringe benefits. How are you going to determine what fringe benefits prevail if you do not know how many employees in that classification are making contributions? There are two problems here. Are contributions made for the employees and are the employees eligible for benefits.

If I understand what you people on the other side are saying, you do not want the Secretary of Labor even to find out if an employer is only making contributions for 30 percent of his employees in a given category. If he is not going to find this out, how is he going to say which fringe prevails. What the gentleman from Pennsylvania said is entirely irrelevant. A collective bargaining agreement, whether union or not, is involved. The employer goes in and negotiates the package as to how much money will be put aside for fringe benefits. He has to know how many employees are affected by that package and how many employees he is making contributions for.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. Yes, I yield.

Mr. SMITH of Iowa. Will the gentleman agree that under the Taft-Hartley amendments to the National Labor Relations Act, it is illegal to discriminate or limit the eligibility for these benefits down to 30 percent of the employees in a given classification.

Mr. GOODELL. In the collective bargaining agreement, but the point is this: the collective bargaining agreement is not the culprit here. I am not sure all of our colleagues understand the complexities of this.

A collective bargaining agreement is made with employees that so many cents will be taken out of the employees' wages for fringe benefits and paid directly to a fund. From that point on the employer pays no attention to who gets the benefits. They go to an insurance company or a fund or a trust and they set up a benefits plan. If this happens to be a local of the carpenters or plumbers or some other union, they may set up the fund so as to make themselves eligible and make non-local members ineligible. Or they may provide for a 6-month period of waiting before employees can qualify for benefits. There are countless technical devices whereby large numbers of workers are, as a practical matter never eligible for benefits.

Mr. SMITH of Iowa. There are two reasons why an employer cannot discriminate against non-union members. One is the National Labor Relations Act as amended by the Taft-Hartley law, as interpreted by the 1952 case prevents this.

Mr. GOODELL. That is irrelevant to the point.

Mr. SMITH of Iowa. The other reason is that the Internal Revenue Service will not permit the employer to deduct as a business expense contributions to a plan that discriminates between union and non-union employees of a given classification.

Mr. GOODELL. That is all irrelevant. The discrimination is not made between union and nonunion employees in the collective bargaining agreement. The gentleman is making an argument in effect that what exists does not exist because we know as a practical matter from our hearings and our investigations that this is done time after time and that often a large percentage of the employees do not share in the benefits of these plans. The gentleman from Pennsylvania [Mr. DENT] admitted that there are many cases where this happens. So when the gentleman talks about this being illegal, they are certainly doing it by one device or another.

Mr. SMITH of Iowa. Is the gentleman saying that if carpenters are covered in a particular area—some of them may be eligible for benefits and others are not eligible even though they are subject to the same collective bargaining agreement?

Mr. GOODELL. That situation often does exist. The person may be a carpenter who is a member of a different local, working in an area only under a temporary permit. He may be otherwise technically ineligible. There are a hundred different qualifications that may come in, such as the fact that he has not been in the area long enough.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, I rise to express my strong and enthusiastic support for the legislation before us. I believe that in order to preserve the economic welfare of workers in the construction trades in local communities throughout the United States, we must bring the Davis-Bacon Act up to date by including fringe benefits in the concept of prevailing wage determinations. As a cosponsor of the legislation—my own bill being H.R. 2402—I strongly urge favorable action on this beneficial, long overdue measure by my colleagues today.

We are all familiar with the background to this bill before us. We know that over 30 years ago the original Davis-Bacon Act was enacted into law in order to protect the labor force in a local community from being underbid in Government construction contracts by imported cheap labor from some other community or even another State.

Obviously, the economic life of an entire community was upset when local workers were deprived of a large Government construction project, and would only stand idly by and see hundreds of out-of-town workers come in to perform the labor on the construction job. Thus

the original Davis-Bacon Act was born—out of the necessity to preserve the economic stability of our local communities. It was a soundly conceived law, and it has accomplished a great deal for American workers. It very clearly established the principle that the U.S. Government would not be a party to depressing local labor standards, but would give its support to equality of opportunity for contractors, protection of prevailing living standards of building tradesmen, and prevention of disturbance of the local economy.

Mr. Chairman, in order that the Federal Government continue those beneficial policies, we need to amend the Davis-Bacon Act in the manner set forth in the bill before us, by including fringe benefits paid by employers in the prevailing wage rates of our communities.

This is merely a recognition in the law of what has already become a fact in the compensation of the working people of our Nation. The whole concept of "earnings" has changed tremendously since Congress enacted the Davis-Bacon Act over 30 years ago. At that time disability benefits, group hospitalization, unemployment benefits and various types of insurance programs were rare exceptions in labor contracts and in the compensation of U.S. workers. Today, these fringe benefits are commonplace, and the American worker has come to depend on the benefits they provide for his health, employment and retirement security. To the worker, these benefits are "earnings" just as much as his pay check.

To attain these benefits, U.S. employers pay many millions of dollars into various trust funds and insurance accounts. Regardless of the form they take, the employer's payments under these plans are certainly a form of compensation to the employee. Further, during the course of collective bargaining today, building trades craftsmen increasingly elect to take wage increases in the form of much needed welfare programs rather than straight increase in their pay checks, in order to provide benefits for their families in an hour of need. It is unjust and inequitable both to the building tradesman and the enlightened employers who pay these benefits that such benefits, which have been established in lieu of wages, should not be included as wages within the meaning of the Davis-Bacon Act. A number of States have already brought their laws up to date by including fringe benefits in their concept of prevailing wages, and I am proud to say my own State of New York is among them. The Federal Government certainly should not lag behind those enlightened States, but should bring its own laws up to date to meet the needs of contemporary labor practices in this country.

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

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

Mr. ROOSEVELT. In the opinion of the gentleman none of these hobgoblins that have been raised have come to pass in the gentleman's State of New York?

Mr. HALPERN. The gentleman is correct.

Mr. Chairman, the legislation before us seems to me to meet a serious and obvious need. What that need boils down to is simply that 30 years ago contractors and their employers could be deprived of Federal construction projects because of lower bids from competitors utilizing cheap out-of-town labor. This problem was solved when the Davis-Bacon Act required the Federal Government to pay wages on construction contracts equal to the prevailing wage in the community where the Federal construction was carried out. Today, local construction contractors and their employees can still lose out on Government construction contracts to competitors who are able to underbid them by not paying fringe benefits to their employees.

This loophole should be closed. Employers who provide health, retirement, unemployment, and other fringe benefits for their employees should not be penalized for adopting these most desirable programs. Rather all employers should be encouraged to take such an enlightened view of the needs and welfare of their employees and their employee's families.

We can assist today in the attainment of this goal by passing H.R. 6041, the bill which is before us. I truly disagree with the reservations expressed by some of our colleagues during the earlier colloquy on the bill. I sincerely urge my colleagues to take this important step, to approve this legislation, and thus express our confidence and endorsement of health, retirement, and unemployment benefits for American workers.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. Mr. Chairman, I welcome this opportunity to urge favorable consideration of H.R. 6041 which amends the Davis-Bacon Act to include fringe benefits in the determination of prevailing wage rates.

Eight of our States have already recognized the need to make more realistic prevailing wage determinations by the inclusion of fringe benefits.

In my own State of Rhode Island such fringe benefits as retirement plans, health and welfare plans are regarded as just as much a part of the required prevailing wage rate as the basic hourly rates for the construction crafts themselves.

The logic and correctness of the Rhode Island approach to prevailing wages is evident from an examination of the manner in which the concepts of wages has changed since the enactment of the Davis-Bacon Act of 1931. At that time group hospitalization, disability benefits, welfare funds, and other fringe benefit plans were the exception rather than the rule. Today more than 85 million people in the United States are dependent upon the supplementary benefits provided by these plans.

It is, therefore, apparent that the original policy of the act, to prevent the use of Federal funds to depress local wage standards, can best be accomplished by basing prevailing wage determinations on both direct compensation in the form of wages and indirect compensation in the form of fringe benefits.

Opponents of this measure have argued that the inclusion of fringe benefits would create many and varied administrative problems. I believe that the small number of complaints arising from wage determinations pursuant to the Rhode Island prevailing wage law is indicative of the fact that these criticisms are without merit.

Moreover, it is my understanding that there has been more stability and higher standards of workmanship within the labor force of the Rhode Island construction industry under our prevailing wage law.

The Federal Government in keeping with its historical role of leadership in advancing the welfare of our country, should not lag behind the States in making realistic determinations of prevailing wages. I, therefore, urge that the Davis-Bacon Act be amended so that it may operate more effectively as a true prevailing wage law.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Maryland [Mr. SICKLES].

Mr. SICKLES. Mr. Chairman, I rise in support of the pending legislation today and I would like to take these few minutes to try to in my own way, and to the extent possible the time available, clarify some of the matters which have been brought out in the colloquy here this afternoon.

There has been much made about the fact that in some instances there are contributions into these funds and under some circumstances in spite of this contribution a particular employee of a particular employer may not be eligible for benefits. It has been inferred this could be by virtue of nonmembership in an international union or nonmembership in a local union. Ever since the Jandel Furs case in 1952 it has been recognized by the industry that this is an unfair labor practice. So if this does exist—I am not saying it does not, because it may, but it does not within my knowledge in this Metropolitan Washington area on which I have direct information from my past activities in the field—it is a clear violation of the Taft-Hartley Act. If there were the necessity for further legislation to cover this area it would seem to me we should go to the Taft-Hartley Act and provide either by amendment of section 8(a) and 8(b), or section 302, which has to do with the welfare and other plans under the Taft-Hartley Act.

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

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

Mr. GOODELL. I just want to reiterate the fact that this is not done in a collective bargaining agreement. The agreement is completely irrelevant. This is not done in the collective bargaining agreement. The employer does not agree with the union that he will exclude all employees who are not members of the union. The employer sets aside a certain amount of money from each employee that he contributes for a plan of fringe benefits. The NLRB and the courts have not gone into the

question of who is eligible and who is not eligible for the benefits of this plan. They have not to my knowledge questioned whether or not the terms and standards are proper for excluding employees from the benefits of this plan. So the net effect is that the collective bargaining agreement is perfectly valid. The problem, however, occurs where they set up the fund for the benefits to be paid. I am told that what frequently happens is that 100 percent of the employees contribute but 30 or 40 percent of the employees benefit. How can you decide whether a fringe benefit plan prevails unless you know the percentage of employees that are going to be benefited under the plan?

Mr. SICKLES. As to whether it would or would not be an unfair labor practice, in my judgment and the judgment of the practitioners in the field as I know them, if an employer were to contribute to such a plan, even though he may not have been a party to the rule that was set up by the trustees, it would still be an unfair labor practice and he could be compelled to pay into the plan. But if that is not the law, if we wanted to change the law, we should amend the Taft-Hartley Act, not this act.

Mr. GOODELL. The gentleman has said that what exists cannot exist. It does exist. We have had a few examples given to us. Those examples apparently are not illegal. The burden, I think, is upon you to show that these fringe benefit plans cannot do this, because they apparently by various devices are doing it.

The second point is that this law says the Secretary has an obligation to go into an area and find out what fringe benefits prevail. How can he determine what prevails in an area unless he knows how many and what employees are affected in that area in that category?

Mr. SICKLES. As to the second problem, I think we may disagree completely. There may be some isolated cases as to which I have no testimony. It may be somebody testified in the committee. But in the whole Washington metropolitan area it is not the practice here. If the gentleman can testify to that in his particular section, that is fine.

Mr. GOODELL. I am sorry the gentleman is not a member of our subcommittee.

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

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

Mr. ROOSEVELT. The gentleman has referred to a part of the testimony that I, as chairman of the subcommittee, cannot find.

Mr. SICKLES. The point is made that contributions are made to the fund that are not eligible for benefits. This is brought about because you have hundreds of these funds. The reason these funds came into being was that each employer could not have a separate plan because of the size of the employer and because of employment fluctuations. The employees go from one employer to another, so they set up these trust funds.

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

Mr. SICKLES. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I trust the gentleman's judgment because of his great experience in this particular field. Is it not a fact that the gentleman from New York has answered his own question? Apparently he is not thoroughly familiar with the nature of these welfare funds in the construction industry. In this bill the language on page 2, line 3, and then again in line 7, is specifically tailored to prevent the confusion the gentleman from New York predicts will ensue if this bill is passed, in that the language on page 2, line 3, says:

> The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person pursuant to a fund, plan, or program.

Then the bill lists the specific fringe benefits. That is as far as this bill goes. Now, am I correct in concluding, therefore, that the confusion which the gentleman from New York predicts will be avoided simply because we tailored this bill to the individual contractor's total contribution to a pension fund? Because of the peculiar nature of the building industry, it would be impossible to hamstring the department if we were to carry out the suggestion of the gentleman from New York and deal with each employee individually. Am I correct in that presumption?

Mr. SICKLES. I agree with the gentleman completely.

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

Mr. SICKLES. I am glad to yield to my colleague.

Mr. GOODELL. The point is—how do you determine what is prevailing unless you find out how many employees are covered? What the gentleman from Illinois has just said, in effect, is that it is impossible to determine what prevails in an area. The gentleman from California, if I may just raise this point, said he does not recall this testimony. It occurs. We have the testimony on and off the record, and the gentleman must know that it exists in the industry.

The CHAIRMAN pro tempore (Mr. BROOKS). The time of the gentleman from Maryland [Mr. SICKLES] has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 8 minutes to the gentleman from Nebraska [Mr. MARTIN].

Mr. MARTIN of Nebraka. Mr. Chairman, the Davis-Bacon Act was originally written in 1931 for the purpose of seeing that prevailing wages in the construction field are paid where Federal funds are involved. The act established the policy that the Federal Government was not to be a party to depressing local labor standards. That was the original purpose of the act. Yet, I submit, Mr. Chairman, the reaction to the Davis-Bacon Act today is just the opposite of this. Because instead of not depressing wages in the local area, it is increasing construction wages throughout the United States and contributing greatly to increased construction costs both to the taxpayers of this country and to individuals in private construction.

Let me go back and prove that point for just a moment. In 1931, when this act first became law, the construction industry was not well organized. Not too many were union members. What is the situation today? The construction industry today is highly organized and in the field where Federal construction exists—it is almost 100 percent organized. These wages are set forth in local contracts between the local craft unions and the contracting industry in those areas.

Mr. SNYDER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count. [After counting.] One hundred and two members are present, a quorum.

Mr. MARTIN of Nebraska. Mr. Chairman, today there is a highly organized situation in the construction industry. Most of the Federal work for which there are contracts amounts to from several hundred thousand dollars to many millions of dollars.

The contractors who bid on these types of jobs throughout the entire country, we find, are those who deal with organized labor. Their wages are controlled and set by local labor contracts arrived at between the contractors and the unions. As a consequence, the Davis-Bacon Act no longer serves the purpose for which it was originally intended, because the union contracts make certain that wages are not depressed in the various localities.

I shall quote from the law very briefly, to show what is covered in the determinations by the Secretary of Labor. He is to make determinations as to the prevailing wage rate in the city, town, village or other civil subdivision of the State—and I ask Members to mark that language—of the State in which the work is to be performed. It does not say that he is to go outside of the State. It says, "of the State in which the work is to be performed."

Despite this, we have seen numerous instances when the Solicitor of the Department of Labor has violated this concept which is specifically and plainly written into the law, by making determinations which have gone across State lines.

Let me give an illustration. I have before me information on predetermined rates in the Fort Warren area—that is, Cheyenne, Wyo.—where a Minuteman missile construction project is presently underway. The construction of this project is being carried on in eight counties; two in Colorado, three in Wyoming, and three in Nebraska.

I shall give the wage rate for one occupation, as determined for common labor.

In the three counties of Wyoming the determination was $2.22 an hour for common labor. In the two counties in Colorado the determination was $2.47 an hour. In the three counties in Nebraska it was $2 an hour.

What did the Solicitor come up with as the project agreement rate on this, as

his determination? He took the highest rate, in only two of the counties in Colorado, and went across State lines to determine that the rate should be $2.47 an hour, to the detriment of our people in those rural counties in Nebraska and also in Wyoming. He arbitrarily established a higher wage rate than predominates even according to his own figures. Again I say he went across State lines to make his determination, to provide one wage rate for the entire project in that area.

The Solicitor has also gone beyond his jurisdiction in making determinations as to the classifications of work. There is nothing in the act which provides that he shall make determinations in regard to classifications. The act only provides that he shall determine the prevailing wage for comparable work in the area.

I have before me a copy of the decision of the hearing examiner in a case currently pending in Nebraska in regard to carpenters' helpers. I shall quote from the conclusions on the last page of the report of the hearing examiner. I do not believe this comes within the jurisdiction of the Solicitor, to make a determination in such a case.

I quote:

1. In all "areas" (as that term is used in 29 CFR 1.2(b)) of the State of Nebraska, it is the prevailing practice to use the classifications of carpenters' helpers and form setters on private and public construction projects.

2. Such classifications are found in all "areas" of Nebraska, except Douglas and Sarpy Counties, and are used at least on structural form work on heavy and highway construction.

3. These classifications have been used under various job titles for about 25 years on non-Federal constuction, and, under their present names, on Federal reclamation work about 4 years, and interstate highway construction for about 6 years.

4. There are presenty no existing criteria effectively distinguishing the carpenters' helper and form setter classifications from the carpenter classification.

5. The terms and public policy of the Davis-Bacon Act require that laborers and mechanics performing structural form work in all "areas" of Nebraska, except Douglas and Sarpy Counties, on heavy and highway construction, under the classifications of carpenters' helpers and form setters, should be specified as carpenters under the wage determination provisions of section 1 of the Davis-Bacon Act.

Here is a classification, the carpenters' helper and form setter, that has been in practice, as admitted by the examiner, for 25 years in Nebraska and has been certified to by the Nebraska State Highway Department to the Solicitor, and yet the examiner rules that the carpenters' helper classification must be eliminated and these men must be paid carpenter's wages.

Mr. Chairman, I submit the Solicitor under the terms of the Davis-Bacon Act as currently written does not have any jurisdiction in this field and he is not eligible to change classifications that have been in effect for 25 years.

I hope that this proposal today to bring fringe benefits in as part of the wage determination factors of the Davis-Bacon Act is defeated.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, I favor this legislation.

Mr. Chairman, in 1931, a Republican Senator from my own State of Pennsylvania, James J. Davis, and a Republican Congressman from the neighboring State of New York, Robert Bacon, sponsored what has become one of the most important pieces of labor legislation, commonly referred to as the Davis-Bacon Act.

Its purpose was to assure the people in any area of the United States that the Federal Government, through its contractors, would not disrupt the local economy by allowing a contractor doing work for the Government to pay his employees less than the prevailing wage in any such area of the country.

For over 30 years that policy has been the law of the land as a result of the enactment of the Davis-Bacon Act.

Today, we are considering an amendment to this act which would require a contractor to consider as a part of the prevailing wage in any area the inclusion of fringe benefits. Since the passage of the original act, fringe benefits have become an integral part of our wage structure. Frequently the only matters considered during negotiations between management and labor are fringe benefits. It is therefore only fitting and proper that such fringe benefits should be included in the determination of prevailing wages in any area.

My conclusions are not based upon theory alone. I have the advantage of living in a State which already has such requirements as a part of its statutes.

In the State of Pennsylvania, our prevailing wage laws provide that employers' and employees' contributions for employee benefits, pursuant to a bona fide collective bargaining agreement, shall be considered an integral part of the wage rate for the purpose of determining the minimum wage rate under the prevailing wage law.

This concept of wage rates is much more realistic in terms of our present day wage structures.

The proposed amendment to the Davis-Bacon Act would take into consideration this changed concept of wages by the inclusion of fringe benefits. The need for such an amendment becomes more apparent when we realize that without an amendment of this type a construction contractor who contributes to welfare and pension plans, apprentice programs and other fringe plans is placed at a competitive bidding disadvantage with the construction contractor who fails to provide for his workers—the same situation that existed in 1931 and led Congress to enact the original Davis-Bacon Act.

Certainly, the Federal Government, as the protector of the welfare of all the people, should be a leader in eliminating practices which depress local wage standards.

On the basis of our experience in Pennsylvania, we have had little or no problems in administration as evidenced by the paucity of appeals or complaints made concerning wage determinations. Our industries have also been strengthened by a sense of honest and fair competition as a result of this realistic approach to wage determination. Moreover, to my knowledge, there has been no appreciable increase in the cost for State government projects.

Therefore, on the basis of the experience of my own State and the seven other States with fringe benefit provisions, I strongly urge you to support these amendments which will constitute a further step in helping to alleviate some of the economic problems of our society.

With the approval of this bill, the Congress will not be venturing into a new legislative field, but its enactment will bring the bidding on Federal contracts more in line with the standards of some of our more progressive States.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I rise in support of the pending bill.

The Davis-Bacon bill was originally a good law, but in order for it to remain a good law, it must be modernized and brought up to date in the light of present-day labor relations.

We must face the fortunate fact that fringe benefits are an integral part of current workers' rights. In fact, I think we should not call them "fringe." They are indeed central.

Unless we consider such benefits under the Davis-Bacon bill, we will do a disservice to the American worker.

Mr. ROOSEVELT. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Hawaii [Mr. GILL].

Mr. GILL. Perhaps it is time, Mr. Chairman, to get back to what this bill is all about. All we are doing now is adding to the definition of wages, those fringe benefit payments which have become widely accepted in the construction industry. We are merely conforming the law to the practice. There is no more reason to give an advantage to a contractor who has managed to avoid paying the prevailing level of fringe benefits than there is to give such a competitive advantage to one who pays substandard wages. Both are cost items to the employer and both are compensation to the worker.

Very few will argue on this basic point. I think another key point has been mentioned: This particular bill, insofar as it deals with fringe benefits, relates to the cost to the employer. It is the prevailing cost which is at issue; it is not the benefit that may finally accrue to the employee. If you will look at the bill, you will see that is just what it says. On page 2, lines 3 and 7 it starts off "(A) the rate of contribution." Then under (B) it mentions "the rate of costs." It says nothing at all about the benefits. That, of course, is the only way you can measure the burden on the employer.

I think we should also point out for the benefit of the gentleman from New York that even wages paid may differ. Even though a basic wage rate is set, some people may get more overtime than others.

Fringe benefits may certainly differ. You may have a sick benefit plan, but not everybody gets sick. You may have a

vacation plan, but some people may qualify and others may not. You may have a pension plan, the benefits of which will fall in a different fashion on different persons depending on their length of service and the terms of the plan.

I would now like to touch briefly on something which is going to come up later, namely, judicial review of the fringe benefit section. I understand this amendment will be offered. The key to the present act and the key to all proceedings under the Davis-Bacon Act is the predetermination of wages. The certainty of the wage scale gives fairness to the bidding. Every contractor knows in advance what his labor cost will be. He then bids on his ability to perform the contract efficiently. This rewards the efficient and skilled contractor and saves the Government money. Obviously, unless all the contractors know in advance the cost of labor, none can bid with certainty.

The proposal to submit this to judicial review will create uncertainty. The gambler may win. He may attack the wage determinations in advance, or wait until they are due and then fail to pay. He can then take a chance that some judge will agree with a wage level lower than that set by the Secretary of Labor.

I think it is perfectly obvious that under this particular type of law an advance attack on the wage levels will almost assuredly delay construction. In addition to delay and cost uncertainty I think there are also some particular problems raised here. First, if a suit is brought in advance of letting a contract, by the time the wage levels are finally determined by the courts they may be out of date. Second, this procedure will allow "strike suits" by contractors who may not be ready to bid at a given time. Such a contractor can hold up the work until such time as he is ready to bid and then withdraw his suit, to the disadvantage of other contractors who may have had idle men and equipment ready to go to work at any time.

Finally, I think we should point out that there is no real right to judicial review in this type of proceeding. All that is involved is the right of the Government as a builder to say what price it will pay for its labor. The price is the same to all bidders; they stand on equal footing; if they do not desire to pay such wages on this particular job, then they need not bid.

Certainly few will dispute the right of the Government to specify what type and quality of materials will be used in its buildings, the size of the buildings, or the floor plan. Why should we claim a difference when the wages of men are involved?

I think some of these arguments have been made with a desire to kill the basic law, the Bacon-Davis law, which has been with us since 1931. Certainly the amendments that will be offered to the fringe benefit sections will be offered with the hope of making those sections inoperative.

Mr. ROOSEVELT. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Mr. Chairman, I strongly urge enactment of H.R. 6041 which would include fringe benefits in prevailing wage determinations under the Davis-Bacon Act.

The equalization of labor costs in prevailing wage determinations is essential if this act is to be administered fairly and efficiently. This objective, however, cannot be fully accomplished under the act's present provisions. This is because these determinations currently do not reflect the employer contributions now being made to nearly 7,000 welfare and pension plans in the construction industry.

Simple justice demands that prevailing wage determinations encompass all types of prevailing wage payments so long as they represent a part of the direct cost of Government construction. Without this feature, this law cannot be totally effective in protecting local wage standards.

More than three decades ago when the Davis-Bacon Act became law, cash wages, virtually without exception, constituted the only kind of remuneration paid to construction workers. In the intervening years—and especially since World War II—wage payment practices have changed almost as much as the techniques of operation in this industry. Whereas, employee benefit plans were almost completely unknown when this law came into existence in 1931, there are now, as I have indicated, nearly 7,000 of such plans in this industry.

I am sure it is not the intention of Congress to penalize the fairminded employer who provides such benefits for his employees; nor surely do we intend to penalize the employee who seeks to protect the future welfare of himself and his family by accepting part of his wages in the form of fringe benefit payments.

Yet this is exactly what we shall be doing if we reject this bill. Since prevailing wage determinations for Federal and federally assisted construction projects now cover only part of the wage picture—the payment of cash wages—employers who do not provide fringe benefits for their employees frequently can underbid those employers who do. This is manifestly unjust to the more progressive, fairminded employer and to those workers whom he employs.

Mr. Chairman, if the Davis-Bacon Act is to continue to protect local wage standards, it is essential that it be updated to take into account the changed pattern of wage payments in the construction industry. I therefore urge the enactment of H.R. 6041.

Mr. ROOSEVELT. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Chairman, we should briefly review the essentials of this legislation before we begin consideration under the 5-minute rule.

The salient fact is that over the past 15 or 20 years many workers in the construction industry in bargaining on wage rates have chosen to take some of their pay in these so-called fringe benefits such as health insurance, retirement, paid vacations, and so forth. But there is considerable variation among them in their relative preference for fringe benefits over direct wages and vice versa.

I procured a listing of typical contract provisions from the Detroit area and I find, for instance, that boilermakers have taken 35 cents of their hourly wages in fringe benefits; asbestos workers, 74 cents; engineers, 30 cents; glaziers, 23 cents; pipefitters, 62.5 cents. Unless we recognize that fringe benefits are as much a part of a workman's wages as the dollars and cents in the pay envelope, the Davis-Bacon law does not truly reflect anything and the intent of Congress when it enacted this law in 1931 and amended it in 1935 is frustrated.

I would like to briefly refer also to questions raised by the gentleman from New York [Mr. GOODELL]. I have finally located in a copy of the hearings the testimony to which he has referred. I find it was given to the committee by a gentleman named Coleman who is a contractor from Silver Spring, Md. As I have tried to understand Mr. Coleman's testimony it amounts to simply this: He has peak seasons, and he has slack seasons. He has a certain number of people he tries to keep on the payroll the year round. They are his regular employees. To them he pays a certain wage and makes contributions to certain funds in the way of fringe benefits. He said he paid $12,000 a year into the pension fund, and $1,200 a year into an accident-health insurance fund.

Then he went on to say that when the peak season is upon him and he needs extra workers, he hires them at $3 an hour with no fringe benefits. The Secretary of Labor will have no difficulty in finding out that he pays some of his employees $3 with no fringe benefits, and his regular employees some other amount plus fringe benefits.

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

Mr. O'HARA of Michigan. I yield to the gentleman from New York.

Mr. GOODELL. The gentleman has referred to one of the people who testified in this general area as to the way the fringe benefits are set up. The gentleman assumes Mr. Coleman paid workers not eligible for fringe benefits more in cash than those workers eligible. That is precisely what should happen. If a worker does not participate in a program's benefits, he should not be required to pay for it. The employer thus would not pay money on that employee's behalf into a fund. That would be paid in cash directly to the worker. This is one of the situations. There are others. The general practice in the industry, according to what the gentleman says, is to make all employees eligible. Then I do not understand why the gentleman should be concerned about the legislative history that I tried to make, that the Secretary has the responsibility simply to get a statement from the employer when he makes the report of what fringe benefits are involved and what contributions are involved, as to how many employees, and what percentage of the employees in that category are affected. If he does not do that, the Secretary really does not have the basis for determining that it is prevailing.

The gentleman from Pennsylvania pointed out the same thing. He kept referring to the fact that all you have to do is ask the contractor what he has to contribute under this collective bargaining agreement toward fringe benefits, that this will settle the matter. It does not settle the matter. We should go beyond this to be sure what percentage of the workers are involved here. There are 150 different legal devices for eliminating workers from benefits. One is that they have not worked for 6 months steadily. You can go right down the line. Further, there may be a specification that they belong to the union or local. But the point is, Why does the gentleman oppose clarifying it?

Mr. O'HARA of Michigan. In response to repeated requests for specific examples the gentleman has cited only one. I have examined the hearings on that one and have just described that situation as it exists. I would say that in this case it is up to the Secretary of Labor, when he determines the prevailing wage—I am sure that this will satisfy the gentleman—to be sure that X number of employees of the contractor, the regular employees, are receiving so much and Y number may be receiving such and such an amount, which may be less. That is what he has to do and that is what he is doing. I do not understand the difficulty of the gentleman from New York.

Mr. GOODELL. The answer I have been trying to get from the other Members on your side of the aisle is that the Secretary should look into the question of how many employees have contributions made for them and how many participate as eligible beneficiaries. That is the only way to determine the fringe benefits prevailing. That is the legislative history I want to establish here. The gentleman has asked for specific examples—which were cited in hearings a year and a half ago, not the hearings on this bill. Anyone familiar with practices in the building trades knows there are countless examples.

Mr. O'HARA of Michigan. I think one of our difficulties is not taking an example. Let us take as an example Mr. Coleman. The Secretary calls on Mr. Coleman and asks him, "How much are you paying your carpenters?" He says, "I am paying my regular carpenters so much, my temporary carpenters so much." He should take down that information and use it in determining the prevailing wage.

Mr. Chairman, I urge the House to adopt this bill without amendment.

Mr. ALGER. Mr. Chairman, the Davis-Bacon law should be amended to become subject to judicial review. As the law now stands the Secretary of Labor sets the wages and when disputes arise involving his decisions the Secretary becomes the prosecutor, judge, and jury of the dispute in which he is a party. This is government by men, not law. This is unfair. This is unconstitutional, surely, by any test.

I join with my colleagues who wrote the supplemental and minority views and commend them for their views as expressed in the report.

The supplemental and minority views give ample evidence to make in order the judicial review amendment, and I join my colleagues in this effort.

However, I would prefer to see us completely overhaul the Davis-Bacon law on these same grounds. The many examples of payroll padding beyond prevailing wage, the numerous abuses in poor administration as listed, the unfortunate effects on the local community's economy as Federal wages are imposed, the jurisdictional labor disputes aggravating today's labor-management problems, these and others proclaim to me that the Federal Government should not be in the field of wage setting.

Federal Government's role is not in the area of wage setting or working conditions. The alleged laudable goals of the Davis-Bacon law are based not on capitalism but on the dubious foundation of Government in business. To me there is no justification for the Government to be in wage setting. The dangers recited as reason for the Davis-Bacon Act I categorically contradict and believe that an objective study of this law will show that our private market capitalistic economy has built in it the checks and balances that deny the reality of the alleged dangers. If not, then unions are failing their historic function of collective bargaining with the employer.

Indeed, Davis-Bacon has aggravated the warfare of union versus union known as jurisdictional warfare. We have the cart before the horse.

If this Congress would return to a study of our Federal laws that relate to our economy in terms of the economic principles of private enterprise and capitalism, then many laws would be repealed, including Davis-Bacon, to our national benefit.

Government—Federal Government—has no place in wage setting, in conducting business operations in competition with citizens in business, or in trying to provide the basic necessities of life including food, clothing, housing, jobs, and medical needs. This is not to say people needing help should not be helped, nor that sweat shop wages will result. Human needs, so often mentioned, cannot be provided by Federal Government. Indeed, Government action becomes self-defeating.

Prevailing wages will be paid by employers or employees will not work. The fears of the 1930's and the many Federal solutions are not in order today.

What we need to do is to free-up the private market, individual initiative and the traditional ingenuity and inventiveness of our people. This is not a loose generality but a solid statement of fact. The locality and State can handle wage problems if any arise—no Federal Government is needed. It is worthy of a try. The Davis-Bacon law should be repealed. Should the law not be repealed, then judicial review is in order. Wage setting, as I have said, is not the function of Federal Government. However, if the law is not repealed, then there should be judicial review, so that there is the right of appeal from the arbitrary decisions of one man, the Secretary of Labor. One man dictatorially setting wages is hardly an American concept of private enterprise and capitalism, as I see it.

It seems to me, no harm would accrue, but much good would result from a careful review of the Davis-Bacon law's violations of private enterprise concepts. Toward this end I solicit my colleagues' attention, and shall continue to keep alive this viewpoint, so that it not be lost in our deliberations of the Federal Government's limited role in our lives.

Mr. LIBONATI. Mr. Chairman, the amendments approved by the Committee on Education and Labor consisting of the fringe benefits including group hospitalization, disability benefits, and others to be included in prevailing wage determinations under the Davis-Bacon Act is an important step in establishing by law—affecting 85 million employed—these benefits as a form of compensation. The protection afforded to the employed by the enactment of these proposed amendments carries out the basic purpose of the Davis-Bacon Act, to determine prevailing wages, labor practices, and customs in an area or locality. The thousands—over four—of welfare funds in the construction industry are supported financially by the employer's contributions of a certain amount—generally starting at 10 cents per hour—for each working hour. In excess of 70 percent of the workers in this industry are so covered, as a result of collective bargaining, the fringe benefits were accepted and considered in reality as an increase in compensation in lieu of wage increases.

The States—eight—have recently added fringe benefits to their prevailing wage laws. In certain areas employers contribute 25 or 35 cents per hour to these health and welfare funds. The industry has accepted this type of contribution as a bargaining factor in wage disputes.

These costs are figured by the employer in bidding for projects. It is a significant figure in dollars and cents to be calculated in the employment costs under the contract. Contributions by the employer to health, welfare, pension, apprenticeship, and training plans have increased steadily because of the modern trend in labor's thinking to seek security for the worker's family unit and his old age. Therefore, these costs should be recognized and established by law as an integral part of a basic figure in determination of the prevailing wage rate.

Mr. PELLY. Mr. Chairman, I strongly support the inclusion of fringe benefits under the Davis-Bacon Act, as spelled out in H.R. 6041, presently before the House for consideration. The passage of this bill will substantially improve this important legislation.

However, there are other inequities in the act which I had hoped to see corrected at this time, and had the parliamentary procedure permitted during consideration of the bill, I intended to offer an amendment that would have included maintenance and janitorial service under the provisions of the Davis-Bacon Act.

I have had the privilege of authoring bills to accomplish this purpose on two

separate occasions, once in the 86th Congress and once in the 87th Congress. The maintenance and janitorial contractors in my congressional district in Seattle, Wash., are seriously handicapped in bidding on any local contracts. For many valid reasons, GSA, Department of Defense and other governmental agencies have called upon the janitorial and maintenance contractors to bid on this work. This, of course, is good for the industry in that it creates a new customer. It is also good for the Government because it has reduced the cost and increased efficiency.

Contractors in my area responded to this new source of business and attempted to secure contracts in various agencies throughout the United States. However, it was soon obvious that due to the system that was necessarily employed in awarding contracts to the low bidder, any operator who resorted to hiring help at below the prevailing rate in an area inevitably was the low bidder. As a result, nonlocal or out-of-State contractors without previous union contracts are consistently the successful bidders in all governmental activities in the Puget Sound area.

This creates a discriminatory situation under which local unionized contractors cannot meet the competition when paying prevailing scales required under union contracts. The out-of-State contractor, of course, employs help on a part-time basis, at substandard rates, and using nonunion labor.

This condition is intolerable to both management and labor and certainly should be corrected. It now appears that inasmuch as my amendment cannot be considered at this time that separate legislation is in order, and I am pleased to note that hearings are underway on H.R. 1678, by my colleague, Congressman O'HARA. It is my intention to lend every possible support to this bill, and I thrust that shortly the Members of the House will have an opportunity to act affirmatively on that legislation.

Mr. SICKLES. Mr. Chairman, the Davis-Bacon Act was enacted 33 years ago. Its purpose was to assure that the Federal Government would not, by virtue of its construction policies, contribute to the depression of wage rates and the lowering of labor standards in our local communities.

Since that time, in addition to an increase in the level of Federal spending for construction, we have witnessed a tremendous growth of the so-called, "hidden paycheck" or fringe benefit. An excellent article in the May 14, 1963, edition of the Wall Street Journal pointed out that since 1946 fringe benefits in the United States have increased much faster than wages and salaries. It noted that the increase in payments to private welfare and pension funds has risen almost 700 percent since 1946. These and other fringe benefits have risen from an estimated 3 percent of wage and salary earnings in 1946 to a record 7 percent last year. This means that every dollar received in wages is accompanied by 7 cents in fringe benefits. In the city of Baltimore in my own State average benefits range from 20½ cents paid hourly into insurance and pension funds for plumbers to 7½ cents paid hourly in insurance plans for painters nationally. The fringe benefit paycheck is estimated to be about $20 billion a year. The Department of Labor has estimated that pension plans grew in number from 7,400 in 1945 to 25,000 in 1960. The number of persons covered under these plans in that period grew from 5½ million to approximately 80 million.

Wages and fringe benefits are now considered part of the total employee benefit "package" negotiated by labor and management or received by the employee from his employer. These fringe benefits have measurable dollar value, and are often preferred by security-conscious, farsighted employees over straight cash salary increases.

At the present time, under the Davis Bacon Act, the Labor Department does not include the dollars and cents value of fringe benefits as part of the "prevailing wage" figure to be paid on Government construction covered under the act. As a result, the labor costs to employers not paying these benefits is lessened, and enlightened employers, those who provide adequate security features and modern personnel practices in their contracts with employees, are penalized. Eight States have already wrested leadership from the Federal Government in the prevailing wage field by providing in State construction projects for the inclusion of fringe benefits in the prevailing wage determination.

The Congress has recognized the importance and swift growth of welfare and pension plans by providing for their regulation in 1959. It is time that the Congress also acts to include these and other fringe benefits in the determination of the prevailing wage under the Davis-Bacon Act. To do less would be to ignore the facts regarding fringe benefits and seriously undermine the basic principles of this law established by Congress over 30 years ago. To do less would be a serious injustice to both employers and employees in the construction industry.

Mr. GRABOWSKI. Mr. Chairman, I wish to give my full support to H.R. 6041, a bill which would require the Secretary of Labor to include fringe benefits when defining prevailing minimum wages under the Davis-Bacon Act.

This act requires that wage standards prevailing in local areas, cities, and towns be observed on Federal and federally assisted construction projects. The object of this law is the same as when it was passed in 1931, to protect the standards which prevail in any area against the importation of labor from other areas with lower standards. It was passed in a Republican administration and amended into substantially its present form in a Democratic one. It is not a partisan issue. It is not untried legislation. It has been on the statute books for a generation.

When this law was enacted the situation with respect to construction wages was a fairly simple one. Workers were paid so much per hour and that was their wage. The act does not even contain a definition of wages. No one thought it was necessary at the time. Indeed, it was not necessary in 1931. Fringe benefits were practically unknown.

At present, however, construction workers, like many other workers have gained, through free collective bargaining with their employers, many additional benefits, unknown to their fathers a generation ago. Today, construction workers are paid not only hourly wage rates, but in addition employers pay substantial amounts, usually measured as so many cents per hour, into various types of health and welfare plans on their behalf. There are medical funds, hospital funds, pension funds, retirement benefits, death benefits, unemployment benefits, insurance to pay for injuries, disability insurance, and sickness insurance. There are even funds to provide for paying the cost of apprenticeship or of other kinds of training programs.

The wage determinations of the Secretary are a part of the stipulations for bid and of the construction contract itself. H.R. 6041 would require that when he established prevailing wage scales under this act the Secretary of Labor would also determine what was being paid in contributions toward such fringe benefits, as well as the hourly rates of the construction workers in the area. The stipulation then would contain a requirement that whoever received the contract to perform the work in the area should pay his employees not less than the prevailing hourly rates plus an amount not less than was being paid there for fringe benefits. If the contractor came from the area he would be, necessarily, paying these amounts. If he came from outside the area, he would have to live up to the standards prevailing in the area. This is only simple fair-play and justice—to treat all bidders alike.

When this bill was considered in 1962, some objected that this would require employers coming into an area to work to establish funds for the payment of such fringe benefits. This is no longer true. The bill provides that such an employer may, if he does not wish to set up a fund, pay an equal amount in cents per hour directly to the workmen. Thus, all contractors would be given equal treatment and an equal opportunity to bid on contracts in any part of the country.

H.R. 6041, I repeat, is only an updating of one of the oldest and best established labor laws that we have. It is not a new law. It proposes nothing novel or untried. It does no more than might have been done in 1931 or 1935 had fringe benefits been a subject for collective bargaining at the time. I strongly urge its passage at this time.

Mr. BOLAND. Mr. Chairman, I rise in favor of H.R. 6041, a bill amending the Davis-Bacon Act to bring it up to date by including fringe benefits in prevailing wage determinations. There has been a tremendous change in the concept of earnings since Congress enacted the Davis-Bacon Act in 1931. Group hospitalization, disability benefits, and other fringe benefit plans were the rare exception in the 1930's. Today more than 85 million persons in the United States depend upon the benefits they provide.

Regardless of the form they take, the employer's share of the cost of these plans or the benefits the employers provide are a form of compensation.

If the Davis-Bacon Act is to continue to accomplish its purpose, prevailing wage determinations issued pursuant to the act must be enlarged to include fringe benefits. The act was founded on the sound principle of public policy that the Federal Government should not be a party to the destruction of prevailing wage practices and customs in a locality. Unless we approve these amendments before us today to provide for the inclusion of fringe benefits in wage determination, prevailing wage practices and customs will not be reflected in these determinations. I urge the passage of this bill.

Mr. TOLLEFSON. Mr. Chairman, I want to urge my fellow Congressmen to vote for H.R. 6041, a bill which would amend the Davis-Bacon Act to require that fringe benefits be included in computing prevailing wages.

It seems to me that a prevailing wage really means very little unless it takes fringe benefits into account. Certainly an employee who does not receive fringe benefits is getting a whole lot less than the man who does.

We in the State of Washington have long recognized this to be a fact of life—that wages include more than the hourly cash rate, that fringe benefits are a real part of a worker's compensation. For that reason the State of Washington has for many years required that fringe benefits be included in determining the prevailing wage to be paid workers employed on State public works projects. We recognize that only in this way can one arrive at a truly fair appraisal of what workers in a given locality are receiving as compensation for their labors.

I am aware that 20 or 30 years ago—when the Davis-Bacon Act first came into being—few members of our work force received the fringe benefits which are commonplace today. But times have changed. Today, fringe benefits are an important part of a worker's compensation. And that is why the Davis-Bacon Act no longer provides the wage protection which it provided in the past. That is why the amendment provided by H.R. 6041 is so sorely needed.

Mr. Chairman, there is nothing novel or untried in the proposed amendment. As I said before, we have had this kind of law in the State of Washington for many years. Other States have similar laws. Wherever these State laws exist the results have proven their worth. Administrative problems have been few and far between. Building costs have not increased, but employee satisfaction has, and so have the standards of workmanship.

In short, State experience with this type of legislation has been very satisfactory. I would expect the same satisfactory results to occur on a much broader scale if fringe benefits provisions are incorporated into the Davis-Bacon Act. Without such provisions, I do not believe the act can successfully carry out its intended purpose. That is why I urge enactment of this legislation.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of this legislation.

The proposed amendment to the Davis-Bacon Act, which would provide for the inclusion of fringe benefits in determination of prevailing wages, is both fair and right. It seems clear to me that fringe benefits are part of a workman's compensation for his labors and should be so considered in a determination of prevailing wages for a Government contract. Incidentally, I might say that in talks with my colleagues, I find no serious threat to the passage of these amendments.

Further in line of labor legislation, I might add that it certainly appears at this point, that the railroad crisis will be before the Congress again in the near future. As you may know, I voted against the previous settlement in the Congress on the basis that this legislation is the first step toward compulsory arbitration. I would like to quote my official public statement on this matter at the time:

> I voted against the railroad bill. What the Congress and the President did was to duck the issue. They set the precedent of using compulsory arbitration as a temporary expedient to prevent an economically dangerous railroad strike. Thereby, they marked the beginning of the end of free collective bargaining. I predict that before the 88th Congress completes its labors, similar crises will develop in the trucking and shipping industries.
>
> Clearly, something was needed to prevent an economic crisis in the railroad situation. But a long-range solution, rather than a temporary one, should have been sought. I am against centralized business, centralized labor, and centralized government. In this case, I think the monopoly blocs in labor and business both should be broken into units so that normal collective bargaining could proceed without threatening the entire national economy. One thing I always try to remember, centralization leads to control. And the American people want to be free, not controlled.

I stand by this statement and will continue to oppose compulsory arbitration in the railroad situation. I would recommend that those interested in this effort should immediately begin to develop the progressive proposals necessary to meet this crisis without resorting to compulsory arbitration.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 6041, a bill to amend the Davis-Bacon Act.

As enacted in 1931 and amended in 1935 and 1940, the Davis-Bacon Act requires contractors and subcontractors working on U.S. Government construction contracts amounting to $2,000 or more to pay laborers and mechanics not less than the prevailing wages for laborers and mechanics in that area. By this act the Federal Government established a firm policy that it was not to be a party to depressing local labor standards.

Since the last amendment to the act, an employer's payment for health, welfare, pension, and apprenticeship training plans have become substantial elements of the total wages paid their employees. It is no longer arguable that these so-called fringe benefits do not constitute a part of the employee's compensation for his daily work. Yet under the Davis-Bacon Act in its present form, these fringe benefits are not included in the determination of "prevailing wages," and employers hiring laborers and mechanics on Federal construction contracts need not in fact pay the "total wages" prevailing in a given area. The proposed legislation is intended to correct this situation so that the Federal policy as established by the Davis-Bacon Act may be in fact carried out.

If you who are hesitant in voting for this measure wish to be shown a precedent in this area, let me direct you to the good State I represent. Hawaii has not only adopted a little Davis-Bacon Act; it has also enacted an amendment in substantially the form proposed here. The beauty of it all is that no one is complaining. All concerned—contractors, subcontractors, laborers, mechanics, labor unions, and the State itself—appear to be pleased with the operation of our State law.

Speaking from actual experience, therefore, Hawaii would like to contribute to the discussion by saying: "Have no fear. Let us legislate in keeping with social and economic progress."

Mr. Chairman, the enactment of H.R. 6041 will certainly add stability to the construction industry at the national level. I urge a favorable vote.

Mr. GIAIMO. Mr. Chairman, my reason for addressing this House today is that I have seen with my own eyes in my own district the grievous results of the failure to include in the Davis-Bacon Act the provisions which we propose to add today. I am sure that many Members in this hall can bear witness to the unfairness in the letting of Federal contracts when the cost of fringe benefits need not be included in the contractor's bid.

The city of New Haven offers a most instructive case. Not long ago a contract was awarded for painting the interior of the New Haven post office. The low bidder was the General Painting Co. of Weymouth, Mass. That contractor did not pay fringe benefits to his workers.

It is interesting to note that the bid submitted by the General Painting Co. in amount of $24,000 was more than $5,000 below the bid submitted by Joseph Cohn & Son, Inc., a New Haven contractor. I am informed that the difference in these two bids would approximate the value of the fringe benefits which the New Haven contractors pay their workers and the Weymouth, Mass., contractor, does not.

Needless to say, this situation has caused a great deal of frustration among New Haven contractors, who are penalized in bidding on Federal construction jobs primarily because they have attempted to foster and maintain fair labor standards; namely, a living wage plus fringe benefits. Indeed, many contractors have told me that they refrain from bidding on Federal construction projects because there is very little chance of success, especially when the contract is of such a character that it attracts out-of-town bidders who observe different and usually lower labor standards. Paradoxically, however, eliminating fair contractors from competing on this type of project inevitably results in a greater cost to

the taxpayer because of the restricted competition. Obviously, increased competition almost always results in lower costs.

There is no doubt in my mind that similar cases arise almost every day in all parts of the country. The very contractors who negotiate with their workers to provide them with a balanced and acceptable standard of living, are the ones denied access to Government contracts; contracts, I might add, of a Government whose avowed purpose is to provide for all its citizens a decent standard of living. The contractors and unions who pursue Federal policy presently find themselves elbowed out of the field by scavenging competitors who prosper by exploiting their workers, and this gross inequity has the benign blessing of the U.S. Government. It is time that this inconsistent practice be stopped.

I am tired of seeing communities with just and peaceful labor conditions invaded by outsiders, whose only claim to the award of a job is that they fail to provide their workers with fringe benefits. Who knows what inefficiencies and profits are protected by this automatic increment. The Government has lost its leverage in assuring that the best contractor gets the award; it only assures that the award goes to the contractor who fails to provide his workers with benefits which we have come to accept as a necessary part of modern society.

Mr. Chairman, I think it is quite clear that I feel very strongly on this bill, a feeling which is based on personal experience. I wish to commend the gentleman from California for his authorship of the bill and his unswerving dedication to its principles. I also commend the distinguished chairman of the Education and Labor Committee for his enlightened leadership and resounding support of this legislation.

Mr. FRASER. Mr. Chairman, I urge my fellow Members of the House to vote today for H.R. 6041 to recognize fringe benefits as part of the prevailing wage for Government construction projects. And I oppose any move to tack on amendments to this bill whether for court review or any other purpose.

Ever since it was adopted in 1931 the purpose of the Davis-Bacon Act has been to protect fair employers from being underbid by substandard contractors who would bring cheap labor into a community. Today the fair employer is often paying wages partly in the form of fringe benefits—health, welfare, and pension fund payments for the benefit of the employees.

We should amend the Davis-Bacon Act to allow these fringe benefits to be considered part of the prevailing wage in the area, when federally assisted construction contracts are being let. That is the only way we can protect the fair construction employer and the American workingman.

In my own district, Minneapolis, Minn., fringe benefits are a sizable portion of the wage costs. For carpenters it is about 40 cents an hour. For electricians the pension, vacation, holiday, life insurance, hospitalization, surgical, and disability benefits amount to 61½ cents per hour. This is 15 percent of the gross labor payroll. Only vacation and holiday are taken into account in figuring the prevailing wage under the Davis-Bacon Act as it reads today.

The Education and Labor Committee report states well the purpose of the prevailing wage concept:

To provide equality of opportunity for contractors, to protect prevailing living standards of the building tradesmen, and to prevent the disturbance of the local economy. * * * Contractors were free to compete against each other in efficiency, know-how, and skill rather than in terms of their ability to depress the prevailing wage structure in a locality.

I urge you to vote for H.R. 6041 to bring the Davis-Bacon Act into the real world of 1964 so that the Federal Government will not be a party to depressing local labor standards, including fringe benefits.

Mr. FRELINGHUYSEN. Mr. Chairman, I have no further requests for time.

Mr. ROOSEVELT. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of March 3, 1931, as amended (46 Stat. 1494, as amended; 40 U.S.C. 276a), is hereby amended by designating the language of the present section as subsection (a) and by adding at the end thereof the following new subsection (b):

"(b) As used in this Act the term 'wages', 'scale of wages', 'wage rates', 'minimum wages', and 'prevailing wages' shall include—

"(1) the basic hourly rate of pay; and

"(2) the amount of—

"(A) the rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person pursuant to a fund, plan, or program; and

"(B) the rate of costs to the contractor or subcontractor which may be reasonably anticipated in providing benefits to laborers and mechanics pursuant to an enforcible commitment to carry out a financially responsible plan or program which was communicated in writing to the laborers and mechanics affected,

for medical or hospital care, pensions on retirement or death, compensation for injuries or illness resulting from occupational activity, or insurance to provide any of the foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or accident insurance, for vacation and holiday pay, for defraying costs of apprenticeship or other similar programs, or for other bona fide fringe benefits, but only where the contractor or subcontractor is not required by other Federal, State, or local law to provide any of such benefits:

Provided, That the obligation of a contractor or subcontractor to make payment in accordance with the prevailing wage determinations of the Secretary of Labor, insofar as this Act and other Acts incorporating this Act by reference are concerned may be discharged by the making of payments in cash, by the making of contributions of a type referred to in paragraph (2)(A), or by the assumption of an enforcible commitment to bear the costs of a plan or program of a type referred to in paragraph (2)(B), or any combination thereof, where the aggregate of any such payments, contributions, and costs is not less than the rate of pay described in paragraph (1) plus the amount referred to in paragraph (2).

"In determining the overtime pay to which the laborer or mechanic is entitled under any Federal law, his regular or basic hourly rate of pay (or other alternative rate upon which premium rate of overtime compensation is computed) shall be deemed to be the rate computed under paragraph (1), except that where the amount of payments, contributions, or costs incurred with respect to him exceeds the prevailing wage applicable to him under this Act, such regular or basic hourly rate of pay (or such other alternative rate) shall be arrived at by deducting from the amount of payments, contributions, or costs actually incurred with respect to him, the amount of contributions or costs of the types described in paragraph (2) actually incurred with respect to him, or the amount determined under paragraph (2) but not actually paid, whichever amount is the greater."

SEC. 2. Section 15(b) of the Federal Airport Act, as amended (60 Stat. 178, as amended; 49 U.S.C. 1114(b)), is hereby amended by inserting the words "in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5)" after the words "Secretary of Labor,".

SEC. 3. Section 212(a) of the National Housing Act, as amended (53 Stat. 208, as amended; 12 U.S.C. 1715(c)), is hereby amended by inserting the words "in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5)," after the words "Secretary of Labor,".

SEC. 4. The amendments made by this Act shall take effect on the ninetieth day after the date of enactment of this Act, but shall not affect any contract in existence on such effective date or made thereafter pursuant to invitations for bids outstanding on such effective date and the rate of payments specified by section 1(b)(2) of the Act of March 3, 1931, as amended by this Act, shall, during a period of two hundred and seventy days after such effective date, become effective only in those cases and reasonable classes of cases as the Secretary of Labor, acting as rapidly as practicable to make such rates of payments fully effective, shall by rule or regulation provide.

Mr. ROOSEVELT (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: Page 1, line 10, after "shall", insert the following: ", notwithstanding any other provision of this Act," and on page 2, line 1, after "pay", insert the following: "prevailing in the city, town, village, or other civil subdivision, of the State in which the work is to be performed, as determined by the agency or officer of such State primarily responsible for enforcement of the labor laws of such State, as designated by the Governor or by State law".

Mr. JONES of Missouri. Mr. Chairman, I am attempting to clear up what I think has been one of the main misunderstandings under the Davis-Bacon Act and its enforcement.

I am in favor of the principles of this act and believe that by the adoption of the amendment I have offered, we will relieve the Department of Labor of some of the time and expense to which they have been put in attempting to deter-

mine what is the prevailing wage in the locality or area of construction or employment on the work to be performed.

I think this amendment is very clear and very simple. The amendment says that the basic hourly rate of pay prevailing in the city, town, village, or other subdivision will be determined by that State agency or officer that is primarily responsible for enforcement of the labor laws within the State. That person, of course, would either have been designated by the Governor of the State or under the laws of the State.

I might say this is consistent with the general practices in the labor field. Unions in the State of Missouri have different rates or scales depending upon the locality in which the union operates. For instance, in the city of St. Louis where the highest scale prevails, that rate is different than it is in a smaller city like Cape Girardeau or towns of 25,000 to 50,000 population. That scale also goes down lower in rural communities and in the smaller cities such as the city in which I live.

The unions have recognized that. In the past we have had difficulty when the Department or the Secretary of Labor would say that the prevailing wage in the locality in which a construction was to take place and where the Davis-Bacon Act was in effect, was the wage rate in the city of St. Louis.

In some instances we have been able to get that corrected. In other instances it has put an imposition upon the people who are trying to get the work done. This amendment would merely clarify that and it would put the determination within the State where the work is to be done.

I have no fault to find with the basic principles of this law, but I do say it would be preferable to have the determination made at the State level. I might add that in the additional work that this bill is going to impose on the Department of Labor, there will be a saving in costs, if we have this determination made at the State level rather than at the Federal level where they would have to send out additional people to make investigations and in the number of people who would have to be employed and the expenses of travel and so forth.

For that reason, Mr. Chairman, I think this amendment should be adopted.

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the amendment.

I, of course, have the highest respect and regard for my good friend from Missouri, and I am sure he is trying to do something to be of aid and assistance in the administration of the act, but what the gentleman asks us to do, in essence, is to set up 50 individual methods for a wage determination of the Davis-Bacon Act. In all honesty I must point out to him that some States do not have any machinery of any kind and would not be prepared to make these determinations. I suppose, under the amendment, they could go ahead and do this, but they might not want to do it. We have had no request from any State that this be done in this manner.

My friends on the other side have been talking about uniformity, in part, at least. If we are to have any kind of uniformity and fairness in the administration of the act, this would completely destroy it; so I must reluctantly oppose the amendment and ask for its defeat.

SUBSTITUTE AMENDMENT OFFERED BY MR. GRIFFIN

Mr. GRIFFIN. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Missouri [Mr. JONES].

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN as a substitute amendment for the amendment offered by Mr. JONES of Missouri: On page 3, line 12, at the end of the sentence strike the period, insert a semicolon and add the following: "*Provided further*, That if the construction cost of a public work is to be paid in whole or in part by a State or a subdivision thereof and if that State has a department or agency empowered to determine prevailing wage rates, then the wage rates and fringe benefits required to be paid shall be determined by such State department or agency."

Mr. GRIFFIN. Mr. Chairman, I can see some merit in the amendment offered by the gentleman from Missouri, but I am also persuaded somewhat by the argument of the gentleman from California [Mr. ROOSEVELT]. For example, the gentleman from California pointed out that some States have not set up agencies to determine prevailing wage rates. In addition, I question whether a State agency should determine prevailing wages in those instances where the Federal Government is actually paying the full cost of a particular project.

In offering my substitute, I should like to focus attention upon the fact that we have passed bill after bill in the Congress requiring application of the Davis-Bacon Act in situations where the State or local government pays one-half or a larger percentage of construction costs. I could refer, for example, to the Higher Education Facilities Act, the Library Services Act passed last week, as well as the Hill-Burton Hospital Act, and many others.

It seems to me that if the State or a subdivision of the State is actually paying a substantial portion of the construction costs, and if the State has administrative machinery to determine prevailing wage rates, then it is reasonable that such determinations be made by the State.

I believe the amendment makes sense from another standpoint. In such States as New York and California, for example, which have established agencies to determine prevailing wage rates, this amendment would result in more consistency. In such States at present it is at least possible that the Labor Department of the Federal Government can determine one wage rate to be prevailing for a given locality while the State agency finds a different wage rate to be prevailing in the same locality for the same job classification.

Accordingly, Mr. Chairman, in those situations where a State is paying part of the construction cost and has an established agency to perform this function, I believe that the principle advanced by the gentleman from Missouri is sound and should be applied.

I urge the adoption of my substitute amendment.

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

Of course, the same basic objection holds true for the substitute amendment that holds true for the amendment itself. I think the gentleman has watered it down a little bit by trying to make it applicable only in those States which have this kind of machinery already set up, but basically the facts of life are that in these areas where the States are operating today, such as California and New York, the Department of Labor does use this machinery. It is there. There are other considerations which must be taken into account, about which the local department may well not have information. Therefore, the proposal would impose upon the State agency a function which would go beyond what the State agency normally would do.

That would obviously be unsound, and again the weakness of the gentleman's argument is that if there were any validity to this, then certainly over a period of 31 years we would have had State agencies coming in and asking for this power, and to my knowledge this has never happened. Incidentally, I might add to the gentleman that I think his amendment is a little bit defective because he does not amend section (a), which, if it were to be effective, he would have to do. It is applicable only to section (b).

Again let us not rewrite these things on the floor but let us stick with the committee. Therefore, I oppose both the substitute and the amendment.

Mr. GOODELL. Mr. Chairman, I rise in support of the amendment. I take just this one moment to answer what the gentleman from California [Mr. ROOSEVELT] said. The gentleman from Michigan [Mr. GRIFFIN] could not offer an amendment that applies to section (a). It would not be germane. This was the whole problem with our judicial review amendment. It is only section (b) that is before us here today. There is no reason why the State determinations of fringe benefits prevailing could not be applied separately from Federal determinations of the cash wage rate prevailing. It would admittedly be cumbersome to do so but I think the objection made that the Griffin amendment does not apply to the cash wage rate points up once again that under the limited rule we cannot do the kind of complete job that should be done.

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

Mr. Chairman, I would merely like to point out to the gentleman from New York that H.R. 6041 amends the Davis-Bacon Act by adding a new subsection (b) and making the rest of the first section of that law subsection (a). In subsection (a) it provides that the Secretary of Labor will determine the wages to be paid which shall be those prevailing in a given locality. Subsection (b) merely defines wages in two parts, one the basic hourly rate and the other the amount of

fringe benefits. So by adding this amendment to subsection (b) which is included in the bill before us, he then contradicts a basic requirement set forth in subsection (a).

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

Mr. GILL. Surely.

Mr. GRIFFIN. Of course, I respect the gentleman's technical argument, but I think it should be quite obvious that this amendment would operate as a qualification of the language in subsection (a). By amending the definitions set forth in subsection (b), we would be qualifying or changing the meaning of the language set forth in subsection (a).

Mr. GILL. In that case, the gentleman would be subject to a point of order because his amendment is not to the bill before this Committee.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the substitute amendment.

I would like to say I could accept the substitute, but the reason why I do not accept the substitute is what the gentlemen over here just pointed out. You do not reach section (a). The amendment I have offered does by an indirect route reach section (a) because in the first part of my amendment it says, "notwithstanding any other provisions of this Act," that we do have the prevailing basic hourly rate of pay to be determined by the State agency rather than by a Federal agency. I think, the way the amendment is worded, that it would have to be accepted that the basic hourly rate of pay would be determined by the State agency. Again I say if you are trying to have this uniform, you would say we would have only one wage for plumbers all over the United States. I do not think that is the intention of this House.

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

Mr. JONES of Missouri. I yield to the gentleman from Georgia.

Mr. LANDRUM. The amendment of the gentleman from Missouri [Mr. JONES] is definitely and clearly and exactly what the original Davis-Bacon Act was intended to do.

Mr. Bacon, when he proposed this law, complained about the construction of a Veterans' Administration hospital in his district in New York and did so because they were not paying the prevailing wage of the city or the locality where the construction was taking place. It resulted in the passage of the Davis-Bacon Act. Now, that is all right. If we could just determine what the prevailing wage is going to be, that is all right. The amendment of the gentleman from Missouri, in my judgment at least, does exactly what the Davis-Bacon Act was intended to do, to say that the prevailing wage shall be that which prevails in the city or the locality or the subdivision or the area where the construction is taking place.

Mr. Chairman, I thank the gentleman for yielding.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman agree that the amendment I have offered recognizes the policy that is followed by union labor throughout the country?

Mr. LANDRUM. I think so.

Mr. JONES of Missouri. And that in the various States there are different rates that apply. The difficulty we get into is this, that in the more restrictive trades we have a smaller number of people and there may be perhaps only one union in the entire eastern half of the State of Missouri. They set one rate. When we get down into the Carpenters Union or the Bricklayers Union, and unions like that, we will have different locals in different localities, and each local will have a different rate of pay. That is what we are trying to accomplish in this amendment today.

Mr. LANDRUM. Exactly. What should be clearly understood is that we do not seek to destroy the principle involved in Davis-Bacon. What we desire to do is to prevent the application of a wage rate from an area far removed, which would completely throw out of kilter and out of line the wage rates of the locality where the construction is taking place. There is nothing wrong with fringe benefits. We know that fringe benefits are part of the wage cost. But we do not want the fringe benefit question to throw wages out of line as decisions of the Administrator in the past have done.

Mr. JONES of Missouri. Mr. Chairman, I want to thank the gentleman for his contribution. This amendment does not affect the fringe benefits at all. This affects the basic hourly wage which should be determined by the State agency.

Mr. LANDRUM. And it does not lower the basic hourly wage in the area in question.

Mr. JONES of Missouri. No; in other words, it maintains the highest wage prevailing.

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

Mr. JONES of Missouri. I yield.

Mr. ROOSEVELT. I realize what the gentleman says is correct, but the argument against the amendment is on the question of feasibility of administration.

Mr. JONES of Missouri. I beg to differ with the gentleman. I think this would make it easier to administer, we would have less confusion than you have under the present law where the godfather is here in Washington saying what the wage shall be in Podunk, Mo. I do not think he knows what the wage is there, whereas the man in Jefferson City, Mo., who is acquainted with the State of Missouri, knows what the prevailing wage is in the community affected.

Mr. ROOSEVELT. If the gentleman will yield further, of course the Department here does get the information from that area. They do not just guess at it. They get the information from the local contractor and from everybody concerned. They do get the local information. It would be infeasible to do it any other way.

Mr. O'HARA of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I want to reemphasize a point that seems to have been lost here. This act is an attempt by the Federal Government to place in its invitations to bid a wage schedule which it requires the contractor to observe on the Federal job in question. It is just as if you or I were building a house and told the contractor that we wanted red brick instead of yellow brick, or that we wanted him to pay his carpenters on our job $3.58 an hour, or whatever the rate is. That is all it is.

Mr. Chairman, if the Federal Government is going to exact such a requirement, as it or any of us has a right to do, it should be the one that is to decide what it is going to require its contractor to pay. It should not turn that decision over to someone else over whom it has no control, over whom it has no influence, no audit control, no anything.

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

Mr. O'HARA of Michigan. I yield to the gentleman from Georgia.

Mr. LANDRUM. The Federal Government, the city government, and the State government participate in the building of a hospital, each paying one-third. Does the gentleman think the city government and the State government should have no say whatever as to what the prevailing wage is; you are going to leave that up to the Secretary of Labor?

Mr. O'HARA of Michigan. We are discussing an amendment offered by the gentleman from Missouri [Mr. JONES]. It does not have anything to do with city and State contributions.

Mr. JONES of Missouri. The gentleman has mistaken the whole import of the amendment.

Mr. O'HARA of Michigan. Let us take the substitute offered by the gentleman from Michigan. It refers to those jobs in which there are some city and other governmental contributions. It may be 1 percent. In all those cases the construction is based upon an application initiated by the State or local agencies who have agreed to and want to come into this program with the understanding the Federal Government will help on these terms and conditions. That is not the same as turning the decisionmaking power over to somebody the Federal Government never heard of, who may occupy an office only recently and specifically created for the purpose of making these determinations. Such decisions should not be made by anyone but a responsible agency of the Federal Government.

Mr. Chairman, I ask for defeat of both the substitute and the original amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Michigan [Mr. GRIFFIN].

The substitute amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Missouri [Mr. JONES].

The question was taken; and on a division (demanded by Mr. JONES of Missouri) there were—ayes 32, noes 64.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GOODELL

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

The Clerk read as follows:

Amendment offered by Mr. GOODELL: At the end of the bill add the following:

"SEC. 5. (a) Any person aggrieved by a determination of fringe benefits for laborers or mechanics issued pursuant to subsection (b) of this Act may obtain judicial review of such determination in an action against the Secretary of Labor and the contracting agency in a district court of the United States praying the court to enjoin the application of fringe benefits wage determination to the invitation for bids for the advertised contract and to determine the prevailing fringe benefits lawfully applicable thereto.

"(b) Notwithstanding any other provision of law, such an action may be brought only in the United States court for the district in which the work is to be performed and shall be commenced within fifteen days after the publication of the advertised specifications containing the challenged fringe benefits determination.

"(c) The summons and complaint in such an action shall be served as provided by the Federal Rules of Civil Procedure, except that the delivery of the summons and complaint to the officer or agency as required by the rules may be made by certified mail beyond the territorial limits of the district in which the action is brought.

"(d) Pending a final adjudication, the court may issue a temporary restraining order directing the Secretary of Labor and the contracting officer to relieve all bidders from stipulating that they will comply with the specific determination being challenged: *Provided*, That if such order is issued, the court may require any bidder to whom the contract is awarded, to post an indemnity bond sufficient to guarantee the fulfillment of any legal fringe benefit obligation, should the challenged determination be ultimately sustained.

"(e) At the conclusion of any hearing on the merits, the court shall, in any case in which it finds that the prevailing fringe benefits originally promulgated were not determined in accordance with law, establish such prevailing fringe benefits as it deems to be in accordance with law. Such decision by the court shall, within thirty days after its issuance, become effective as the determination of the prevailing wage for the project concerned, unless a petition for review of such decision is filed within such period.

"(f) In carrying out its functions under this section, the court shall have access to all data and material upon which the Secretary of Labor relied in making his original prevailing fringe benefits determination, but the court shall accord no presumption of validity to any such determination by reason of any prior administrative finding, act, practice, policy, or rule.

"(g) Any party aggrieved by the decision of the United States district court may appeal such decision by filing within thirty days a petition for review in the United States court of appeals for the circuit within which such district court is situated. The decision of such court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1542 of title 28 of the United States Code.

"(h) For the purposes of this section, an aggrieved person shall include any contractor, subcontractor, bidder, prospective bidder, labor organization, employee, prospective employee and any contracting agency public or private adversely affected by the prevailing fringe benefits determination issued by the Secretary of Labor.

"(i) Nothing herein shall be construed to limit the right of the Secretary of Labor at any time to rescind his original determination and to make such adjustments, revisions, or modifications as he deems appropriate.

"SEC. 6(a) Whenever it is claimed that any contractor or subcontractor has refused or failed to pay the fringe benefits that he is required to pay by reason of a determination issued by the Secretary of Labor pursuant to subsection (b) of this Act, to employees with respect to whom such determination is applicable, the contracting agency shall promptly notify the contractor or subcontractor of such claim, shall investigate the claim and shall issue a ruling in writing which shall either deny or sustain such claim, and which shall set forth the reasons therefor. No penalties, including the withholding of funds from the contractor or subcontractor, shall be imposed under the terms of Acts to which this section applies prior to such ruling. The contractor or subcontractor against whom the claim is made, and any complaining employee, shall be notified of any ruling made by the contracting officer or any other official designated by the contracting agency, at least twenty days before it is to become effective.

"(b) Any contractor or subcontractor aggrieved or adversely affected by any ruling made pursuant to subsection (a) of this section may bring a de novo action against the United States of America or any contracting agency of the United States or its officers, in the United States district court for the district wherein the violation is alleged to have occurred. Such contractor or subcontractor may bring an action against a contracting agency of a State in any State court of competent jurisdiction. The court shall grant such relief as is appropriate, and may stay any penalty imposed under the terms of Acts to which this section applies, pending the completion of judicial review.

"(c) Any employee aggrieved or adversely affected by any ruling made pursuant to subsection (a) of this section may bring an action, in the United States district court wherein such violation is alleged to have occurred, or in any State court of competent jurisdiction, against the contractor or subcontractor, or any surety, to recover the amount of unpaid wages due under this Act. Such action shall be subject to the two year statute of limitations provided by the Portal-to-Portal Act of 1947 (6 Stat. 84; 29 U.S.C. 255). Such employee may maintain such action on behalf of himself and other employees similarly situated, but no employee shall be a party plaintiff to any action unless he gives his consent in writing to become such a party and such consent is filed in the court in which the action is brought. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, shall also award reasonable interest on the amount of such judgment. Nothing in this subsection shall confer additional rights on an employee given a right of action on a payment bond pursuant to the requirements of the Miller Act (49 Stat. 793, as amended, 40 U.S.C. 270 et seq.).

"(d) In any action brought pursuant to subsection (b) or (c) of this section, the court shall have authority to determine the obligations of the contractor or subcontractor under the wage provisions of his contract, and whether or not the contractor or subcontractor has failed to comply with them. No presumption of validity shall arise by reason of prior administrative finding, act, practice, policy, or rule.

"(e) Any party aggrieved by the decision of the United States district court may appeal such decision by filing, within thirty days, a petition for review in the circuit court of the circuit within which such district court is located. The decision of such ciruit court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

"(f) The provisions of this section shall be incorporated in, and made a part of, any contract to which this section is applicable.

"(g) In no event shall the judicial review provisions herein be construed to extend beyond the prevailing fringe benefits as defined in this Act."

Mr. GOODELL (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with. This is H.R. 9590, limited to fringe benefits.

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

There was no objection.

Mr. GOODELL. Mr. Chairman, I will not belabor this point. For the record, I want to offer this amendment, which would provide judicial review limited to the fringe benefit determinations. I do this for several reasons.

The fringe benefit determination is going to be infinitely more complicated and more difficult than the cash wage determination has been in the past. The record of the last 33 years of the Davis-Bacon Act I think justifies the act. I am proud that it had Republican sponsorship originally. But I think the history of the act thus far also demonstrates the need for some kind of review procedure. It illustrates, as dramatically and directly as any situation could, the importance of our court system in this country, the very deep significance there is to every citizen having a right when he feels he is aggrieved by the interpretation of a bureaucrat or an administrator to take that into court and get an interpretation by a person who is completely objective, who has no influence brought to bear on him. That is the court system we have. We can be very proud of it.

One argument made against making the fringe benefit section susceptible to judicial review is that it will delay the proceedings. This is not true. The judicial review section which I am offering permits an aggrieved individual who feels that the determination of the Secretary of Labor is erroneous to bring an action in Federal court within 15 days after he receives notice as to what wages he is supposed to pay on this particular job. This is the notice that comes from the Federal agency before a contractor bids a job. All of the various prospective bidders receive this notice, detailing how much they are supposed to pay in each category of skill and craft.

If the contractor differs with the determination of the Secretary of Labor in any way in the categories of pay laid out by the Secretary's decision, within 15 days after the Secretary's determination he must go to court. He must then convince a Federal district judge that he has a prima facie case, that there is something here that should be determined, that the Secretary has varied from the intent of Congress and the law in his determination. If the judge decides against a complainant, then the case is finished. He can do nothing more, and he proceeds to bid for the contract at the stipulated wage rates the Secretary has set.

If the judge thinks there is a case here, he may issue a restraining order against the Secretary. That restraining order

permits the bids to go on. It simply applies to the wages that are being challenged. Bidding and construction may go on while the court deliberates on the specific points at issue.

If the contractor has won the first round before the Federal judge, the judge then may make him post a bond to be sure he will pay whatever wages the court ultimately determines are applicable here. He also will have to pay interest on those wages. The worker would be protected, the Government would be protected, the contractor would be protected. Aggrieved parties will simply have the right to go into court for an interpretation of the law in a very proper procedure.

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

Mr. GOODELL. I yield to the gentleman from Georgia.

Mr. LANDRUM. So the amendment which the gentleman now proposes would apply only to fringe benefits?

Mr. GOODELL. It would apply only to fringe benefits.

Mr. LANDRUM. To the calculation of the fringe benefits as to prevailing wages.

Mr. GOODELL. That is correct.

Mr. LANDRUM. The reason the amendment will not apply to the Davis-Bacon Act as a whole is simply because the rule under which we are considering this amendment prevents the offering of an amendment to have the acts of the administrator reviewed in the court.

Mr. GOODELL. That is correct.

Mr. LANDRUM. That then is the reason why we had the vote on the previous question.

Mr. GOODELL. That is exactly right. I would prefer to make the entire act subject to judicial review. Every other wage-fixing law we have has a judicial review provision in it. The only alternative now is to make judicial review applicable to fringe benefits alone.

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

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I suggest to my colleagues that the colloquy we have just heard is evidence of what is happening here. You are being asked to do by indirection what could not be done directly by the previous vote in the House.

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

Mr. ROOSEVELT. I yield to the gentleman.

Mr. LANDRUM. We intend no such thing. I do not think the gentleman means to say that.

Mr. ROOSEVELT. I should like to explain the effect of this.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. I must decline to yield to my colleague. I would like to make my point.

I want to point out to the gentleman, if this is adopted, the minute any part of the wage was challenged because of the fringe benefit part, it would stop all of it. Every bit of that wage determination would come to a halt and not just the fringe benefit part. None of the rest could go into effect and, therefore, it would completely stymie the administration of the act. That must be very clear. I feel very strongly, as I think I previously said in the House, what we are really debating here is a matter which should come before the committee because there are two, and at least one, other alternatives to this, and that is administrative review. We have just had administrative review suggested and put into operation by the department. We do not know how it will work. We think an argument can be made for administrative review rather than judicial review. This is certainly not the time to decide that. That is the committee's job to decide. I would respectfully ask the Members of the Committee to allow the committee to do its job and let us pass this bill on its merits and not get it mixed up with other matters that should be more fully debated.

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

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

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

Mr. GRIFFIN. I yield to the gentleman.

Mr. GOODELL. I would just like to point out to the gentleman from California, I read an implication at least in his earlier remarks that this would hold up the letting of contracts and the building process. This is not true. It permits the entire construction procedure to go forward. It merely separates the determinations that are challenged and the contractors bidding are on notice that the court is holding these particular wage determinations for decision by the court. Contractors go right ahead. They bid on the project and the Government can or other agencies can continue with the construction. No Labor Department determinations are held up at all, incidentally, unless the court has decided there is a pretty good case here. But when the court makes its decision, if the contractor has been paying a lower wage than the court decides is prevailing in that area, then the court orders the contractor to pay the higher wage plus interest. The workers are protected because the court has the right to require that a bond or other security be posted to see that enough money is available to pay the extra portion of wages challenged by the contractor in court.

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

Mr. GRIFFIN. I yield to the gentleman.

Mr. ROOSEVELT. I am sure neither of us is a contractor, but I must say that common sense tells me that a contractor who does not know an important part of his wage scale because of fringe benefits would be in a very poor position to start to work on a contract with this hanging up in the air and going forward in a court procedure.

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

Mr. GRIFFIN. I yield to the gentleman.

Mr. GOODELL. Most contractors are very much in favor of judicial review. They feel this is a workable way to proceed. They have been working on the judicial review amendment and have been trying to develop something that would work. We have succeeded in doing so, I think, in this proposal. This has been analyzed by the union lawyers. They have come back with their objections and, frankly, none of them hold water. This judicial review would work. The contractors themselves are ready to accept this kind of approach. Actually, as a practical matter what would happen is that only the extreme cases would get to court. Every time we have judicial review proposed in any legislation, the argument is made that you are going to flood the courts with a wave of litigation.

It does not happen that way. There are all sorts of reasons why individual contractors would not wish to take these cases to a court, unless the situation were an extreme one.

The basis for the proposal is not one of promoting litigation. What we are looking for is some kind of control over the administrator. If there is that control over the administrator, a review procedure, then he will make fairer decisions. He will not go way off the reservation, the way he has, ignoring in effect what the law says. We will see, I believe, that here as in the case of other wage-fixing laws with judicial review procedures, there will not be a lot of litigation.

Mr. GRIFFIN. Mr. Chairman, if judicial review is provided, I don't think we need to worry about the local contractors being able to bid. They are familiar with the prevailing wage rates in their own local communities. Unfortunately, it often is the Labor Department that does not know, or does not want to know, what, the local prevailing rates are. In many cases, when the Labor Department sets an unrealistic wage rate in a community, this operates against the interest of local contractors and local workers, and favors outside contractors and workers. Such a result is contrary to the true intent and purpose of the Davis-Bacon Act.

In my own congressional district, for example, the record of our committee's hearings reflect that a nonprofit foundation desired to build a home for elderly people and applied for Federal aid under a housing act. However, the Labor Department set wage rates which were not realistic for the community. Instead of using the wage rates actually prevailing in the small communities where the home was to be built, the Department used wage rates prevailing in a larger metropolitan city some 50 miles away.

What could anybody do in such a situation? Those in charge of the project could not go to court to do anything about it, because there is no judicial review provided for under the present act.

Under the circumstances, those who planned the home decided to build it without Federal aid.

The amendment offered by the gentleman from New York is a sound amendment. It has been carefully worked out. The gentleman from New York has worked hard on it and he is to be highly

commended for his authorship and advocacy of it.

Of course, I believe that judicial review would apply to the whole act, but let us make a beginning and at least apply it to this fringe benefit bill. If this amendment is adopted, I shall vote for the bill.

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

I shall not require 5 minutes.

I merely point out that in the language of H.R. 9590, which is the substance of the amendment which has been offered, the court, once its jurisdiction is asked for, would give no presumption of validity to any determination by reason of any prior administrative act of the Secretary of Labor; in other words, it would all start over from scratch, which would mean it would not be a short hearing. That would mean that all data would be presented. It would mean that perhaps several months of proceedings in the trial court would be required before there could be a ruling on the motion. After that there would be an appeals procedure.

As a result of it all, the contractors would be delayed from 6 months to 2 years, depending upon how far the procedure went. No contractor in his right mind, in a competitive situation, would become involved in a bid if he did not know what his final labor cost would be.

I have one final point to make. It is not true that the industry associations are all in favor of this amendment. The industry associations are split. Even half of the General Contractors' Association is in favor of the bill as written.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GOODELL].

The question was taken; and on a division (demanded by Mr. GOODELL) there were—ayes 43, noes 90.

Mr. GRIFFIN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. ROOSEVELT and Mr. GOODELL.

The Committee again divided, and the tellers reported that there were—ayes 63, noes 106.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GOODELL

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

The Clerk read as follows:

Amendment offered by Mr. GOODELL: On line 4, page 4 insert the following new paragraph: "For the purposes of determining prevailing wages pursuant to this subsection, the Secretary shall not consider any contributions paid by any employer to any fund, plan, or program unless the fringe benefits provided thereby are payable to all laborers and mechanics who have made or on whose behalf a contribution has been made to such a fund, plan, or program."

Mr. GOODELL. Mr. Chairman, earlier in the debate we had a discussion of this problem of determining whether all the employees are eligible for benefits under a fringe benefits plan, and also the problem of the Secretary determining whether contributions have been made for all the employees who are employed by a given contractor.

This amendment is very simple. It says that if the Secretary of Labor investigates in an area and gets a report from a contractor that certain fringe benefits are provided, and the contractor makes contributions and pays them into a fund or to an insurance company which makes the benefits available, the Secretary must then determine that those for whom the contributions are made are eligible for benefits. As a practical matter, in many, many instances contributions are made for employees where the employees themselves are not eligible for benefits and will never be eligible for benefits. In effect it says that you should not give credit to a fringe benefit plan for which contributions are made unless the employees for whom the contributions are made will receive the benefits.

Fringe benefits do not prevail in an area unless the benefits are available to the employees themselves.

This is a very simple and direct amendment. It says that the Secretary shall not consider any contributions paid by any employer to any fund, plan or program unless the fringe benefits provided thereby are payable to all laborers and mechanics who have made or on whose behalf a contribution has been made to such fund, plan or program. What can be any more simple equity than this? Give them credit for their fringe benefits plan but let us see to it that the workers for whom contributions are made are going to receive the benefits of this plan. This settles completely the argument we had earlier about this question whether a large percentage of the employees do benefit from these fringe benefit plans or not.

Mr. Chairman, I urge the adoption of the amendment.

Mr. SICKLES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is true as far as the language is concerned that this is a very simple amendment. It is a brief amendment. But the amendment ignores the history as to how these funds came into existence and how they are managed and operated. In the normal industry, one which does not have a very large turnover of employees, it was very easy for the labor organizations to negotiate with their employers directly for fringe benefits. But this was impossible in the building industries, so they went to the device of making certain contributions, usually 1, 2, 5, or 10 cents each, to jointly negotiated funds. These were unit payments into the funds. Trustees of these funds then established the rules concerning the benefits to be received from these funds.

Because of this casual employment it is necessary to establish the number of hours it is necessary to work each month in order to be eligible for benefits in subsequent months. It is necessary to determine what the waiting period is to be before benefits are started. Sometimes it is 1, 2, or 3 months. There are also corresponding periods after the employment is terminated, 1, 2, 3 months, and I have known it to go up to a year. So while there is an initial waiting period, there is also a termination period, there is also a period when an employee may be ill and still receive benefits. This entire matter is studied by the board of trustees and this board of trustees determines the rules and regulations.

The effect of this amendment, if adopted, would establish some sort of vesting and would give the impression that the employee would be eligible for benefits by virtue of the contribution having been made on his behalf without any concern for rules and regulations of a particular fund.

There are different kinds of programs. The rules must determine how much time is worked in order to get a vacation, for instance. There are apprenticeship benefits. One or two cents per hour is contributed. There is a basis for every employee in the bargaining unit, but the only persons who receive the direct benefit are the apprentices, those people who have to be trained. So you have different kinds of benefit programs. You cannot have this kind of amendment on this bill because, Mr. Chairman, you are so confusing the whole industry that it will have to go back and rewrite all the rules and regulations which have been established.

There is no attempt by these funds to exclude great numbers of employees. It is not good for the industry to exclude great numbers of employees. They have established reasonable rules and regulations so that those employees who are substantially connected with the industry will receive benefits, not only when they are working and when they are sick, and have reasonable termination periods after their employment has ceased.

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

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

Mr. GOODELL. The gentleman is saying we should put our stamp of approval on programs where they withdraw from the worker's pay a certain amount, yet he is not eligible to receive benefits.

Mr. SICKLES. There is nothing wrong with saying that if a certain amount of money for each hour worked by each employee in a bargaining unit, that the only employees who actually receive the benefit will be the apprentices.

Mr. GOODELL. The apprentice program is different. We do not call the apprentice program a fringe benefit program. That is set up by the unions that work with the employers and employees. What I am talking about is the fringe benefit programs we are covering in this act, hospitalization, retirement, and other types of benefits. The worker has money paid to a fund instead of to him in cash, so that he will get those benefits.

As a practical matter all my amendment does is this: If they do not want to make a worker eligible for 3 months after he starts working, then they should not withhold money for him to pay for fringe benefits. It should go directly to him in cash until he has fulfilled the requirement to enter the plan, whether it should be 3 or 6 months, or a year. In the meantime he should not be compelled to pay for other's benefits when he is not a participant in the plan.

Mr. SICKLES. In order to answer the gentleman's last question, may I say the whole provision of these rules is to provide for the employee when he becomes eligible. He has a reasonable waiting period. He will then be entitled to benefits. If you were to say that during the waiting period no money will be withdrawn on his behalf, the money will go directly to him, this would become such an administrative burden that it would be impossible to handle.

Mr. GOODELL. Why?

Mr. SICKLES. Because they would have to distinguish which were old employees or new employees.

Mr. GOODELL. That is not difficult. Whatever the eligibility standards are, the worker should not be compelled to pay into the plan or have the contractor pay in for him, until that worker is eligible to share in the benefits. In the case of retirement plans, they could withhold from a worker's pay as soon as he is eligible to start participating in building up benefits.

Mr. SICKLES. That is the reason why this is important. It is a question of benefit for that particular employee so that after his employment is terminated he will be continued for a certain period.

Mr. GOODELL. The gentleman could not advocate taking the money from the worker when he is not eligible for benefits; could he? Surely a fund could be actuarily sound if no one employed less than 3 months, for instance, either contributed, had the employer contribute for him, or benefitted under the fringe benefit plan. After 3 months, contributions could start and benefit eligibility could start. Many variations on this are possible. Normal hospitalization, accident insurance, and so forth, should not be hard to set up on this basis.

Mr. SICKLES. I am trying to tell you after they first become eligible they may not have benefits for 3, 6, or 9 months after termination of employment.

Mr. ROOSEVELT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

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

There was no objection.

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

(By unanimous consent, Mr. BELL yielded his time to Mr. GOODELL.)

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

Mr. GOODELL. Mr. Chairman, I should like to emphasize that all this amendment does is say that they can set their plans up any way they want to, but when they start withholding money from employees' wages and supposedly contribute this to a fringe benefit plan, the employees should be eligible to receive benefits under that plan. If they want to set up a requirement that the employee must work 3 or 6 months for a contractor before he is eligible for a plan they can do it, but during that 3- or 6-month period they cannot take money out of his wages and apply it to a fringe benefit plan from which he cannot benefit. That is all it does. If somebody argues we cannot do this and keep the funds actuarially sound, then I do not understand them, because in all of our health plans, all of our various fringe benefits to which we contribute, the minute we start contributing to them out of our salaries we are eligible for benefits. That is all we are saying here.

Mr. SICKLES. If the gentleman will yield, I think the gentleman has hit it on the head, and I do not mean to be anything but kindly. When the gentleman suggests that the only time they should contribute is for that particular month in which they are eligible under the rules, then he does not understand the fundamental processes of these plans in order to make them solvent.

Mr. GOODELL. I understand that these plans now exclude many workers from benefits while these workers contribute to plans. I do not suggest that any worker should be automatically eligible to participate in fringe benefit programs. Nor do I suggest that the same problems exist in the construction industry as elsewhere. Workers change jobs, move around and work for different contractors in the construction industry. The point is, Should we consider fringe benefit plans as prevailing in an area without the Secretary even considering how many workers participate in the plans and benefit by them? On page 2, lines 7 and thereafter the bill says "costs of providing benefits to laborers and mechanics."

Does this mean benefits to a majority of laborers and mechanics, 30 percent of them under the 30-percent rule, or what? My amendment simply says that if they do not benefit, the Secretary does not count them.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, the proposed amendment would make pension plans contain unworkable provisions in order to qualify. An employer sets up a pension plan under which an employee might receive a pension after 10 or 15 years of employment. The employer does not want to have to pay a pension 20 years from now for a person who worked 1 day for him. This amendment would provide that everyone who contributed must participate in the benefits. There is no employer pension plan that does not require a participant to be an employee for a certain number of years in order to receive benefits. An estimate is made as to how many will not qualify and this is considered in the acturial valuations made from year to year. They estimate there must be a certain contribution made in order to provide a definite and determinable pension for those who stay a certain number of years. Requiring an employer to pay a pension to those who only work a few days or are casual employees would increase the amount the employer would have to pay into the fund in order to provide pensions for regular employees. A pension plan that would qualify under this proposed amendment would either provide less benefits for those regular employees or would cost the employers more. I do not think this kind of interference with employers pensions plans is warranted or should be our policy and I urge defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, with all due respect to my colleague from New York, I do not think he understands the complex nature of these particular pension funds. In the building industry, they are unlike anything else in this country. That is why the committee provided this broad language:

> The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person.

You will note we said "to a trustee or a third person" and we mean the total amount he pays and not the amount he pays for each employee. In many instances the agreement provides for a lump sum payment for all the employees instead of individual employees. The purpose of this bill is to make a contractor who pays fringe benefits eligible to compete for Federal construction jobs along with those who pay no fringe benefits. This is the key question; that total amount he pays in fringe benefits not what he pays per each individual employee.

Mr. GOODELL. That is irrelevant.

Mr. PUCINSKI. It is not irrelevant. The question is how much that contractor has to pay in that community on a particular contract and not how much he pays to each individual.

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

Mr. ROOSEVELT. Mr. Chairman, it seems obvious to me from the debate and the kind of argument that has been initiated on this amendment that it is impractical. Therefore, I ask the defeat of the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GOODELL].

The question was taken; and on a division (demanded by Mr. GOODELL), there were—ayes 39, noes 138.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HALL

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

The Clerk read as follows:

Amendment offered by Mr. HALL: Add "SEC. 5:

"JUDICIAL REVIEW OF 'FRINGE BENEFITS'

"(a) Notwithstanding any other provision of law any person aggrieved by a wage fringe benefits determination for laborers or mechanics issued pursuant to the Act of March 3, 1931, as amended (46 Stat. 1494, as amended; 40 U.S.C. 276a) or pursuant to any other Act under which prevailing wage fringe benefits provisions are determined may obtain judicial review of such determination in the United States court for the district in which the work is to be performed, in all cases involving construction for educational (primary, secondary or advanced) construction: *Provided*, That such action is commenced within fifteen days after the publication of such wage determination.

"(b) The Court may stay such fringe benefits wage determination, pending ad-

judication under such terms and conditions for the security of the adverse party as are proper.

"(b) The court shall conduct a hearing on the merits and where it finds that a wage determination of fringe benefits was not in accordance with law, shall establish such a prevailing wage and benefits as it deems to be in accordance with: *Provided*, That the findings and order of the Secretary of Labor shall be prima facie evidence of the facts stated.

"(d) An appeal may be taken from the decision of the United States district court within thirty days from the entry of the judgment by a petition for review in the United States court of appeals for the circuit within which such district court is situated. The decision of such court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1524 of title 28 of the United States Code."

Mr. HALL. Mr. Chairman, I shall not take the 5 minutes.

Like my colleague, the gentleman from Missouri who propounded the first amendment, the cost is too great based on assessed valuation and levies for consolidated school districts in southwest Missouri that are using Federal funds. It is a paradox that this might be known as our President said, "As the educational Congress" and yet we are raising costs including fringe benefits which will be a direct cost to the taxpayer for constructing elementary, secondary, and advanced educational units.

There is an extra expense. This cannot be a saving or a budget-conscious Congress if we continue to vote for these extra expenses and benefits which lead to extra expenses.

What happens now is that these wage determinations usually turn out to be whatever the prevailing union scale is or the fringe benefits are in the nearest large city.

This has been previously explained, but I have had this experience brought to my mind with reference to two projects in my own district in recent months. They were consolidated school districts. They were under the accelerated public works project bill. I can name the counties. They are under these educational fringe benefits.

In each of these cases, the initial wage determinations were so outrageously high that the mayors of the towns have had to object. They have said that the projects would have to be abandoned unless the determinations could be changed.

During the past year on two occasions we have gone to the Labor Department and finally have been able to have the wage levels changed so that they actually reflect prevailing wages. I would presume that in the future they will accurately reflect the fringe benefits which are prevailing in these areas, instead of those prevailing in the two large metropolitan areas of Kansas City and St. Louis.

I feel that the passage of this bill will result in a reduction of between 6 to 15 percent in the amount of funds for educational facilities, under the program approved during the last session by the committee and recommended to the House by that same committee.

This also would take away the actual funds available under other programs, by raising the labor costs to the local assessed valuation and levies of the individual, albeit consolidated, districts.

As a result, Mr. Chairman, I submit this will tend to offset any budget cuts we have made.

I believe this is especially applicable, inasmuch as we shall not have a judicial review provided.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield for a question?

Mr. HALL. I am glad to yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman said this would raise the cost of construction. I wonder if my colleague from Missouri is aware of the fact that if anybody ever feels he is aggrieved—any contractor, or the community in this case—he could file a case in the Court of Claims to recover whatever amount of wage determination he believed was incorrect or too high? If he could convince the Court of Claims he was correct, a rebate would be available. Is my colleague aware of that procedure?

Mr. HALL. I thank the gentleman from Illinois. I am aware of that procedure.

I am also aware of the fact that if the construction never gets started or off the ground and is killed by the community itself, which had an incentive to provide educational facilities, then there would come no reclamation after the fact in any court.

Mr. PUCINSKI. I do not quite understand the gentleman. If there is a feeling that the wage determination has been set too high, they could always file a claim in the court of claims for recovery under the present act. I believe there is a provision for judicial review to the extent that the gentleman has mentioned in his remarks, in the bill presently before the House. It has been in the law for 33 years.

Mr. HALL. The only purpose of this amendment is to make the fringe benefits additionally subject to review, in educational construction only.

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

Mr. HALL. I am glad to yield to the gentleman from Michigan.

Mr. GRIFFIN. From my knowledge of the Davis-Bacon Act I would take sharp issue with the gentleman from Illinois and his statement that such relief is available.

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

Mr. HALL. I am glad to yield to the gentleman from New York.

Mr. GOODELL. Going a little further on this subject, the only time when relief would be available would be, first, when the Federal Government was a party. In many, many cases that is not true. Second and most important, nobody ever gets to the Court of Claims with Davis-Bacon issues. There have been no substantial cases which have gone to the Court of Claims under the Davis-Bacon Act. The chief reason is that there are too many punitive, administrative powers in the law.

Mr. ROOSEVELT. Mr. Chairman, may I inquire if there are any further amendments at the desk?

The CHAIRMAN. There are no further amendments at the desk.

Mr. ROOSEVELT. Then, Mr. Chairman, I ask unanimous consent that all debate on this bill end in 5 minutes.

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

There was no objection.

Mr. PUCINSKI. Mr. Chairman, my colleague from New York [Mr. GOODELL], if I may have his attention, raised a question as to the Federal Government being a party to the suit. Of course, this bill would not apply unless the Federal Government is involved. It involves the Federal Government and, if there is a determination of excessive wage rates, certainly the community, the contractor, and the Government, acting in concert, can seek relief in the court of claims.

Secondly, I do not see where the gentleman can say that you cannot get into the Court of Claims any time that you have a valid claim. I am not aware of any system that precludes you from getting into that court. Naturally, you must have a valid claim before a court will accept jurisdiction.

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

Mr. PUCINSKI. I yield to the gentleman.

Mr. GOODELL. The point I made was that the only time you can get to the Court of Claims is when the Federal Government actually builds the project itself. As you and I know, the Davis-Bacon Act applies in many cases where the Federal Government is not actually the builder or the owner. It applies to the State and local governments involved with Federal aid. It applies where private parties are involved.

Mr. PUCINSKI. The Federal Government is always there in a supervisory capacity.

Mr. GOODELL. But you cannot get into the Court of Claims on that basis. It has to be the Federal Government actually building the project and retaining ownership of the project. That is the first thing.

The second thing is that on any wage determination dispute you cannot get to the Court of Claims at all in questioning the Secretary of Labor's decision as to what wage prevails in an area.

Mr. PUCINSKI. The author of this amendment stated one reason why he was offering it was to preclude excessive costs to communities building schools with Federal funds. I submit if such a situation should ever occur, then both the Federal Government and the local community acting together have a right to seek relief and recover from the Court of Claims. Therefore, it would seem to me that the law is now sufficient and the amendment is not necessary.

Mr. GOODELL. Mr. Chairman, will the gentleman yield further?

Mr. PUCINSKI. If I have any time, I will yield.

Mr. GOODELL. I would just read you a legal memorandum on this point:

The Court of Claims has no jurisdiction whatever over Federal aid contracts prosecuted by State and municipal governments on which a large volume of Davis-Bacon Act problems are involved.

The proof of the pudding is that you have never had any of these cases get to the Court of Claims and they cannot because they do not have jurisdiction of such cases.

Mr. PUCINSKI. The gentleman will recall that out of some 50,000 wage determinations handed down by the Labor Department every year, less than one-half of 1 percent are ever challenged. This might well account for the reason why no cases are taken to the Court of Claims.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. ROOSEVELT] for 2½ minutes to close debate.

Mr. ROOSEVELT. Mr. Chairman, in closing debate may I first thank my colleagues for what I think has been a good debate and simply say that of course I oppose this amendment. It is another judicial review amendment. We have been up and down the street on this matter a number of times today. This time we are asked to give judicial review to a very selected few employers and not to the rest of them. As far as I am concerned, if we are going to give this to anybody, let us give it to everybody and not to a special few. The amendment is obviously an unfair amendment to the industry itself. I hope it will be defeated and the bill will pass.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. HALL].

The question was taken; and on a division (demanded by Mr. HALL), there were—ayes 23, noes 118.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KARSTEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6041) to amend the prevailing wage section of the Davis-Bacon Act, as amended; and related sections of the Federal Airport Act, as amended; and the National Housing Act, as amended pursuant to House Resolution 582, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on engrossment and third reading of the bill.

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

Mr. MARTIN of Nebraska. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARTIN of Nebraska. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MARTIN of Nebraska moves that the bill, H.R. 6041, be recommitted to the Committee on Education and Labor.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on passage of the bill.

Mr. FRELINGHUYSEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 357, nays 50, answered "present" 2, not voting 22, as follows:

[Roll No. 19]

YEAS—357

Abele	Derounian	Johansen
Adair	Devine	Johnson, Pa.
Addabbo	Diggs	Johnson, Wis.
Albert	Dingell	Jones, Mo.
Anderson	Dole	Karsten
Andrews, Ala.	Donohue	Karth
Andrews, N. Dak.	Downing	Kastenmeier
	Dulski	Kee
Arends	Duncan	Keith
Ashley	Dwyer	Kelly
Aspinall	Edmondson	Keogh
Auchincloss	Edwards	Kilburn
Ayres	Elliott	Kilgore
Baldwin	Evins	King, Calif.
Baring	Fallon	Kirwan
Barrett	Farbstein	Kluczynski
Barry	Fascell	Knox
Bates	Feighan	Kunkel
Battin	Findley	Kyl
Becker	Finnegan	Laird
Beckworth	Fino	Langen
Belcher	Flood	Lankford
Bell	Flynt	Latta
Bennett, Fla.	Fogarty	Leggett
Bennett, Mich.	Fountain	Lesinski
Berry	Fraser	Libonati
Betts	Frelinghuysen	Lindsay
Blatnik	Friedel	Lloyd
Boggs	Fulton, Pa.	Long, La.
Boland	Fulton, Tenn.	Long, Md.
Bolling	Gallagher	McCulloch
Bolton, Frances P.	Garmatz	McDade
	Giaimo	McDowell
Bolton, Oliver P.	Gibbons	McFall
	Gilbert	McIntire
Bonner	Gill	McLoskey
Bow	Glenn	Macdonald
Brademas	Gonzalez	MacGregor
Bray	Goodell	Madden
Brock	Goodling	Mahon
Bromwell	Grabowski	Mailliard
Brooks	Grant	Martin, Calif.
Broomfield	Gray	Martin, Mass.
Brotzman	Green	Mathias
Brown, Calif.	Griffiths	Matsunaga
Brown, Ohio	Gross	Matthews
Bruce	Grover	Meader
Burke	Gubser	Michel
Burkhalter	Hagan, Ga.	Miller, Calif.
Burton	Hagen, Calif.	Miller, N.Y.
Byrne, Pa.	Hall	Milliken
Byrnes, Wis.	Halleck	Minish
Cahill	Halpern	Minshall
Cannon	Hanna	Monagan
Carey	Hansen	Montoya
Cederberg	Harding	Moore
Celler	Hardy	Moorhead
Chamberlain	Harris	Morgan
Chelf	Harrison	Morris
Chenoweth	Harsha	Morrison
Clancy	Harvey, Ind.	Morse
Clark	Harvey, Mich.	Morton
Clausen, Don H.	Hawkins	Mosher
	Hays	Multer
Clawson, Del.	Healey	Murphy, Ill.
Cleveland	Hébert	Murphy, N.Y.
Cohelan	Hechler	Natcher
Collier	Hemphill	Nedzi
Conte	Hoeven	Nelsen
Cooley	Hoffman	Nix
Corbett	Hollifield	Norblad
Corman	Holland	O'Brien, N.Y.
Cunningham	Horan	O'Hara, Ill.
Curtin	Horton	O'Hara, Mich.
Curtis	Huddleston	O'Konski
Daddario	Hull	Olsen, Mont.
Dague	Hutchinson	Olson, Minn.
Daniels	Ichord	O'Neill
Dawson	Jarman	Osmers
Delaney	Jennings	Ostertag
Dent	Jensen	Passman
Denton	Joelson	Patman
Patten	Roybal	Teague, Calif.
Pelly	Rumsfeld	Thomas
Pepper	Ryan, Mich.	Thompson, La.
Perkins	Ryan, N.Y.	Thompson, N.J.
Philbin	St. George	Thompson, Tex.
Pickle	St Germain	Thomson, Wis.
Pike	St. Onge	Toll
Pillion	Saylor	Tollefson
Pirnie	Schadeberg	Trimble
Poage	Schenck	Tupper
Powell	Schneebeli	Tuten
Price	Schweiker	Udall
Pucinski	Schwengel	Ullman
Purcell	Secrest	Utt
Quie	Selden	Van Deerlin
Rains	Senner	Vanik
Randall	Sheppard	Van Pelt
Reid, Ill.	Shipley	Vinson
Reid, N.Y.	Short	Waggonner
Reifel	Sibal	Watts
Reuss	Sickles	Weaver
Rhodes, Pa.	Sikes	Weltner
Rich	Siler	Westland
Riehlman	Sisk	Whalley
Rivers, Alaska	Skubitz	Wharton
Roberts, Ala.	Slack	White
Roberts, Tex.	Smith, Calif.	Wickersham
Robison	Smith, Iowa	Widnall
Rodino	Snyder	Willis
Rogers, Colo.	Springer	Wilson, Bob
Rogers, Fla.	Staebler	Wilson, Charles H.
Rogers, Tex.	Stafford	
Rooney, N.Y.	Staggers	Wilson, Ind.
Rooney, Pa.	Stinson	Wright
Roosevelt	Stratton	Wydler
Rosenthal	Stubblefield	Wyman
Rostenkowski	Sullivan	Younger
Roudebush	Taft	Zablocki
Roush	Talcott	

NAYS—50

Abbitt	Foreman	Poff
Abernethy	Forrester	Pool
Alger	Fuqua	Quillen
Ashbrook	Gary	Rivers, S.C.
Ashmore	Gathings	Scott
Beermann	Griffin	Smith, Va.
Broyhill, N.C.	Gurney	Stephens
Broyhill, Va.	Henderson	Taylor
Burleson	Jonas	Teague, Tex.
Casey	Kornegay	Tuck
Colmer	Landrum	Watson
Cramer	Lennon	Whitener
Davis, Ga.	McMillan	Whitten
Dorn	Marsh	Williams
Dowdy	Martin, Nebr.	Winstead
Everett	Murray	Young
Fisher	Pilcher	

ANSWERED "PRESENT"—2

Haley	Herlong

NOT VOTING—22

Avery	Hosmer	Moss
Bass	Johnson, Calif.	O'Brien, Ill.
Buckley	Jones, Ala.	Rhodes, Ariz.
Cameron	King, N.Y.	Shriver
Davis, Tenn.	Lipscomb	Steed
Derwinski	McClory	Wallhauser
Ellsworth	May	
Ford	Mills	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Herlong against.

Mr. Johnson of California for, with Mr. Haley against.

Until further notice:

Mr. Bass with Mr. Rhodes of Arizona.

Mr. O'Brien of Illinois with Mr. Wallhauser.

Mr. Steed with Mr. Derwinski.

Mr. Moss with Mr. Lipscomb.

Mr. Davis of Tennessee with Mr. King of New York.

Mr. Cameron with Mrs. May.

Mr. Jones of Alabama with Mr. Ellsworth.

Mr. Mills with Mr. Ford.

Mr. HERLONG. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. BUCKLEY]. I voted "nay." If Mr. BUCKLEY were here, he would have voted "yea." I therefore withdraw my vote and vote present.

Mr. HALEY. Mr. Speaker, I have a live pair with the gentleman from Cali-

fornia [Mr. JOHNSON]. If he were present, he would have voted "yea." I voted "nay." I therefore withdraw my vote and vote present.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that all Members may be allowed 5 legislative days in which to extend their remarks in the RECORD on the bill, H.R. 6041, just passed.

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

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, in the unhappy event that the Committee on Rules reports out a rule on the so-called civil rights bill, I ask unanimous consent that we may have until midnight Thursday night to file a report.

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

There was no objection.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE SUPPLEMENTAL APPROPRIATIONS, 1964

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H.J. Res. 875) making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes, with a Senate amendment thereto, and consider the Senate amendment.

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the Senate amendment as follows:

Page 4, after line 15, insert:

"OFFICE OF EDUCATION

"Payments to school districts

"For an additional amount for 'Payments to school districts', $216,204,000."

Mr. FOGARTY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FOGARTY moves that the House recede from its disagreement to the amendment of the Senate and concur therein with an amendment, as follows:

Immediately after said amendment insert the following:

"DEFENSE EDUCATIONAL ACTIVITIES

"For an additional amount for 'Defense educational activities,' $31,168,000 for capital contributions to student loan funds which shall be available, without allotment under section 202(a), or apportionment under section 203(a), of the National Defense Education Act of 1958 (72 Stat. 1583), for payment to institutions, which have filed applications for contributions between December 14, 1962, and February 28, 1963 inclusive.

"DEPARTMENT OF LABOR

"Bureau of Employment Security

"Compliance Activities, Mexican Farm Labor Program

"For an additional amount for 'Compliance activities, Mexican farm labor program', $430,000.

"Salaries and Expenses, Mexican Farm Labor Program

"For an additional amount for 'Salaries and expenses, Mexican farm labor program', $165,000, which shall be derived by transfer from the farm labor supply revolving fund."

Mr. FOGARTY. Mr. Speaker, House Joint Resolution 875, which was reported to the House on December 14, 1963, was originally intended to implement the comprehensive program for combating mental retardation. The importance and merit attached to this group of appropriations is well known to us all. Details concerning them are contained in the hearings of the Labor-Health, Education, and Welfare Subcommittee of the Committee on Appropriations, and in the committee's report—House Report No. 1041.

When this joint resolution was considered in the Senate, it was amended to add $216,204,000 for payments to school districts in federally impacted areas. This also is a very popular and a very important program, but we found ourselves in a stalemate when the amended resolution came back to us late in the last session due to the fact that there was no request from the executive branch for this appropriation. One week ago today, that request arrived. We immediately held hearings on this item and three other requests which appeared to deal with emergency situations due to lack of sufficient funds. These additional items are the student loan program under the National Defense Education Act, for which $31,168,000 was requested; compliance activities of the Mexican farm labor program for which $430,000 was requested; and "Salaries and expenses, Mexican farm labor program" for which $165,000 was requested.

Our hearings brought out the fact that many of the schools in districts that qualify under the federally impacted school district program have borrowed considerable sums of money, some at commercial lending institutions, in order to continue meeting their payrolls. We were told that if funds are not made available within the very near future, some of these schools will have exhausted their credit and will actually be unable to pay their teachers.

In connection with the student loan program, we found that there will be many students throughout the Nation who will find it impossible to continue school if additional funds are not made available in the immediate future.

Our hearings revealed that the Mexican farm labor program has only enough funds in connection with their compliance activities to run to the 7th of February. If funds are not made available by that time the Department of Labor will consider it necessary to immediately stop the program. This could have disastrous results for some growers. I have always opposed this program and I still strongly oppose it, but it should be phased out in a gradual manner between now and December 31, when the current legislation expires, so that the growers can make arrangements for domestic labor and there will be no disruption of their means of livelihood and the economy of the area. While I am against the program, the Congress has recently expressed itself as favoring this 1-year extension, so these growers have every right to expect us to appropriate the necessary funds.

To sum up, we have laid before the House only supplemental appropriation items for which there is real urgency, and I trust that the House will approve them unanimously as did our subcommittee which so recently held hearings on them.

Mr. Speaker, I yield such time as he may require to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, I thank the gentleman from Rhode Island for yielding to me at this time.

The motion that is now before the House to add a House amendment to the Senate amendment has the unanimous support of our subcommittee on the Departments of Labor and Health, Education, and Welfare, as the gentleman from Rhode Island has just indicated. All items, totaling $289 million, that will be contained in the resolution if this motion is agreed to, are of an emergency nature and should be approved by the House.

I would like to point out that the request for all of the items in this motion came to the Congress from the President, just 1 week ago today although the departments involved submitted their requests to the Bureau of the Budget and the Director of the Bureau of the Budget had recommended to the President, not later than December 18, that he transmit them to Congress. Unfortunately we were not able to get the exact dates. We asked, during our hearings, that the Department of Health, Education, and Welfare, place this information in the hearing record, but the Bureau of the Budget refused to give them these dates so that they could comply with our request. However, we have definite information from other sources that the President had all of them on his desk sometime during the period December 1 to December 18, and he did not transmit them to Congress until January 21.

We have heard a lot of criticism from time to time about the manner in which Congress conducts its business; that it cannot move in an expeditious manner in order to take care of the public's business. I would like to state here, as shown in our hearings which are in print and were available this morning, that this proves beyond any question of a doubt that when the Congress is called upon to act, it can act in a rapid fashion to take care of urgent public business. And as a matter of fact it proves that Congress can act in a shorter time than it takes the White House to act.

This impact aid money was needed by the schools last December. The money for the college loan program under the

Defense Education Act was needed by these schools last December. Many of these schools, under both programs, have had to go to banks and other lending institutions to borrow money in order to get by until the Federal funds, due them under the law, were available. Finally, a week ago today, almost to the hour, we received the President's request for such funds.

While the long delay in the executive branch has resulted in added costs and a disruption of these programs, we should be proud of the efficient way the Congress is acting on these priority items of an emergency nature.

I hope this motion will be passed unanimously.

Mr. WELTNER. 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 Georgia?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, I am very pleased that the House has agreed to the Senate amendment to House Joint Resolution 875, which provides for the allocation of funds to continue the impacted area school aid program of Public Law 874.

My congressional district has a great stake in this amendment. In view of the large concentration of military personnel, particularly in the Newport County area of my district, a great strain is placed upon the school systems in their efforts to provide high quality education for all our children.

The funds which are made available by reason of the House action today are desperately needed by the communities in my district which are affected by the large numbers of military and naval personnel stationed there.

I congratulate the House on taking this action and commend it for meeting a problem which is of such great importance to my congressional district and so many others in this Nation.

Mr. PELLY. Mr. Speaker, I strongly support House Joint Resolution 875, legislation making supplemental appropriations to include funds for the administration of Public Law 874. I have long supported this legislation and have been anxious for its passage for some time.

In this connection, let me read the text of a telegram I received today from Mr. Robert G. Lindenmuth, coordinator, Federal projects, State office of public instruction, Olympia, Wash.:

Hon. THOMAS M. PELLY,
Member of Congress,
House Office Building,
Washington, D.C.:

Information received indicates possible House floor action Tuesday, January 28, on House Joint Resolution 875, which includes the $216,204,000 supplemental appropriation for Public Law 874, and which requires unanimous consent of the House and submission to Senate for approval. We know you are aware of this urgent need and have been in support of this legislation, but on behalf of all Public Law 874 applicants, the State office wishes to alert you to this impending action. Early passage of House Joint Resolution 875 will permit the U.S. Office of Education to pay the full amount of the first installment instead of only 28 percent. We assure your office of our continued appreciation of your support for educational legislation and appropriations.

Mrs. SULLIVAN. Mr. Speaker, the passage of this appropriation bill in final form today culminates a proposal I first made in this House nearly 7 years ago for the establishment of a Federal grant program to train teachers of exceptional children. That proposal was made in the exceptional children educational assistance bill which I introduced on the last day of the 1st session of the 85th Congress, on August 30, 1957.

The $11,685,000 we are appropriating today in House Joint Resolution 875 will continue programs now in effect to train teachers of mentally retarded children and of children with speech and hearing defects; in addition, it will make possible training of teachers for children who are visually handicapped, seriously emotionally disturbed, crippled, or other children who by reason of impairment require special education. All of these objectives were first outlined in a legislative proposal in my bill in 1957.

GIFTED CHILDREN NOT INCLUDED

Unfortunately, the enabling legislation we passed last year to authorize the appropriation of funds for the above purposes did not include gifted children. We still have no Federal grant program for encouraging the training of teachers of gifted children. I am happy to see a reference in the hearings on House Joint Resolution 875 to an intention by Commissioner Francis Keppel of the Office of Education to suggest or recommend Federal action in this field. The gentleman from Rhode Island [Mr. FOGARTY] has long been identified with this same idea of encouraging the training of teachers for gifted children, just as he has been a leading proponent over the years of the teacher training program for mentally retarded children and all the categories of handicapped children.

LEGISLATIVE BACKGROUND ON TITLE III OF PUBLIC LAW 88–164

Mr. Speaker, the enabling legislation, which authorized the appropriation of the $11,685,000 included in the bill before us today, was passed by the Congress last year as title III of Public Law 88–164—The Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. When that bill was before the House, I presented some of the historic background behind this idea, and today, for the purposes of legislative history, I submit my statement and accompanying material as part of my remarks, as follows:

TITLE III CARRIES OUT A 6-YEAR OBJECTIVE

Mrs. SULLIVAN. Mr. Chairman, I strongly support the bill now before the House, and I particularly support—and am delighted to call attention to—title III provisions of this bill dealing with the training of special teachers for children having physical or emotional or other handicaps. These children often require specialized teaching, and we do not have even a fraction of the specially trained teachers we need in order to give our 6 million handicapped children the educational opportunities they are capable of utilizing.

For me, the provisions of title III, dealing with grants and scholarships and fellowships and traineeships for teachers going into the field of teaching exceptional children, carries out an objective I have had since 1957, when I introduced the first general bill ever introduced in Congress on this subject.

That bill, H.R. 9591 of the 85th Congress, was entitled "Exceptional Children Educational Assistance Bill." I have reintroduced it in every Congress since then, and it is H.R. 15 in the present Congress. It envisioned almost exactly the kind of approach to teacher-training for exceptional children now contained in S. 1576, and my only regret is that it has taken so long for this idea to be translated into legislation we can actually pass here in the House.

BILL BASED ON LIBRARY OF CONGRESS STUDY

The original bill was drafted on the basis of recommendations made to me by the Legislative Reference Service of the Library of Congress following an outstanding research job for which I have always been grateful.

In the CONGRESSIONAL RECORD, volume 103, part 12, page 16348, there is a complete account of the origin of this idea, stemming from correspondence originally with parents of handicapped children with others in the St. Louis area interested in the training of exceptional children. The material in the CONGRESSIONAL RECORD of August 28, 1957, running to 18 pages, includes the full text of the report to me from the Legislative Reference Service, prepared by Herman A. Sieber, research assistant in education and government, under the direction of Charles A. Quattlebaum, specialist in education.

I think that long insertion in the RECORD gave one of the best illustrations of how an idea is translated into legislation—and the legislation in question is now contained 6 years later in title III of S. 1576.

SULLIVAN BILL ALSO INCLUDED GIFTED CHILDREN

My bill as originally introduced, and as reintroduced in subsequent Congresses, also would encourage the training of teachers for gifted, as well as handicapped, children. I hope that in other legislation we can still accomplish that objective, because it would not be appropriate or germane to try to add it to this legislation today dealing with mental retardation facilities and community mental health centers. Otherwise, I would have offered such an amendment.

ORIGINAL BILL INTRODUCED AUGUST 30, 1957

Mr. Chairman, I am delighted that we are going to provide more encouragement for experienced teachers to go back to school for advanced training in teaching exceptional children. I am proud to have been the sponsor of the first general bill ever introduced on this subject, and I submit, as part of my remarks, that original bill, as follows:

"H.R. 9591—85TH CONGRESS, 1ST SESSION

"In the House of Representatives, August 30, 1957, Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Education and Labor)

"A bill to provide for the establishment of a special $18,500,000 7-year program of Federal scholarship and fellowship grants to individuals, and a $2,500,000 program of grants to public and nonprofit institutions of higher education, to encourage and expand the training of teachers for the education of exceptional children

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

"SHORT TITLE

"This Act may be cited as the 'Exceptional Children Educational Assistance Act'.

"FINDINGS AND PURPOSE OF ACT

"SEC. 2. The Congress believes that the American promise of equality of opportunity extends to every child within our country, no matter what his gifts, his capacity or his handicaps, whether he is handicapped by defects of speech, of sight or of hearing, or crippling disease or condition, whether his adjustment to society is made difficult by emotional or mental disorders, or whether, on the other hand, he is endowed with outstandingly brilliant gifts of mind and of spirit. All such exceptional children require special educational guidance for development of their total educational potential.

"The Congress finds that the educational problems presented by such exceptional children are of national concern, and that there is an acute national shortage of, and urgent national need for, individuals professionally qualified to teach such children, to supervise the teachers of such children, to train such teachers and supervisors, and to conduct research into the problems relating to the education of exceptional children.

"While the Congress recognizes that the primary responsibility for meeting these problems lies with the States and local communities, national interest in the training of self-reliant and useful citizens demands that the Federal Government assist and encourage and stimulate the initiation of adequate programs in the States to meet these problems.

"Therefore, this Act provides on a temporary, seven-years basis, a program to further the training of teachers, supervisors of teachers, and researchers in special education for exceptional children, and to encourage and assist public and nonprofit institutions of higher education to expand their training work in these fields.

"DEFINITION

"SEC. 3. As used in this Act—

"(1) The term 'State' means a State, Alaska, Hawaii, the District of Columbia, and the Commonwealth of Puerto Rico;

"(2) The term 'Commissioner' means the U.S. Commissioner of Education;

"(3) The term 'school-age population' means that part of the population which is between the ages of five and seventeen, both inclusive, determined by the Commissioner on the basis of the population between such ages for the most recent year for which satisfactory data are available from the Department of Commerce;

"(4) The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools in a State, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

"(5) The term 'nonprofit institution' means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

"(6) The term 'exceptional children' means those children determined in accordance with regulations issued by the Commissioner to present special educational problems, such as (a) children who are unusually intelligent or gifted; (b) children who are mentally retarded; (c) children who are deaf or hard of hearing; (d) children who are blind or have serious visual impairments; (e) children who have serious health problems due to heart disease, epilepsy, or other debilitating conditions; (f) children who suffer from speech impediments; (g) children who are crippled (including those who have cerebral palsy); and (h) children who are maladjusted emotionally and socially, including the institutionalized delinquent.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 4. (a) There are hereby authorized to be appropriated $500,000 for the fiscal year ending June 30, 1958; $1,500,000 for the fiscal year ending June 30, 1959; $2,500,000 for the fiscal year ending June 30, 1960; $3,500,000 for the fiscal year ending June 30, 1961; $3,500,000 for the fiscal year ending June 30, 1962; $3,500,000 for the fiscal year ending June 30, 1963; and $3,500,000 for the fiscal year ending June 30, 1964; for grants to individuals for scholarships and fellowships in accordance with the provisions of section 5(a) of this Act.

"(b) There is also authorized the sum of $2,500,000 to be expended during the existence of this program in the form of grants to public and nonprofit institutions in accordance with the provisions of section 5(b) of this Act.

"GRANTS BY THE COMMISSIONER

"SEC. 5. (a) The Commissioner is authorized to award scholarships and fellowships, with such stipends as he may determine, to individuals for the purpose of taking advanced training, at institutions selected by the recipients, for stated periods of time, in order to engage in employment as teachers of exceptional children, or to train or supervise teachers in this field, or engage in research in the teaching of exceptional children: *Provided*, That, in his discretion, the Commissioner, in order to accomplish the objectives of this Act, may also make these awards for study at the undergraduate level.

"(b) The Commissioner is also authorized to make grants to public and nonprofit institutions of higher education to construct, install, improve, or expand specialized facilities and equipment in connection with courses of instruction for persons preparing to engage in employment as teachers of exceptional children, or to train such teachers, or to supervise such teachers, or to engage in research in special education for exceptional children: *Provided*, That the Commissioner, in his discretion, may also make grants to establish specialized courses in this field in such institutions.

"(c) The amount of scholarship and fellowship grants made in any fiscal year to residents of a State under section 5(a) shall not exceed, in the aggregate, an amount which bears the same ratio to the total funds appropriated under authority of section 4(a) for such fiscal year as the school-age population of such State bears to the total school-age population of all the States.

"(d) Payments of grants pursuant to this Act may be made by the Commissioner from time to time, on such conditions as the Commissioner may determine, including conditions requiring public and other nonprofit institutions to make such reports, in such form, and containing such information as the Commissioner may from time to time reasonably require to carry out his functions under this Act, and conditions requiring compliance with such provisions as the Commissioner may from time to time find necessary to assure the correctness and verification of such reports.

"(e) The Commissioner shall consult with an advisory committee as described in section 6(a) which shall assist him in determining the areas and priorities of need in the award of these grants, and in setting the standards for the granting of such fellowships, scholarships, and grants.

"ADVISORY COMMITTEE AND ADVISORY PANELS

"SEC. 6. (a) The Commissioner shall appoint an advisory committee of not more than eight persons who shall be conversant with the overall educational needs of exceptional children and who shall assist the Commissioner in developing general policies under this Act. The Commissioner shall be ex officio a member of this committee and shall act as chairman thereof.

"(b) The Commissioner is also authorized from time to time to establish advisory panels of specialists in special education for any of the categories of exceptional children enumerated in this Act. Each such panel shall consist of not less than five persons, who shall meet at the call of the Commissioner.

"DELEGATION OF FUNCTIONS

"SEC. 7. The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this Act except the making of regulations.

"PUBLICIZING AVAILABILITY OF GRANTS

"SEC. 8. The Commissioner shall take such steps as are practicable to publicize to the fullest extent possible the availability of fellowships, scholarships, and grants under this Act among teachers and prospective teachers, and among all colleges and universities offering accredited courses of study leading to advanced degrees in nursery, kindergarten, elementary, or secondary education.

"COOPERATION WITH STATES

"SEC. 9. In the administration of this Act, the Commissioner shall consult and advise with the various State educational agencies to determine the extent of need for teachers of exceptional children in the respective States and to keep the State educational agencies fully informed of all developments under this program in order to encourage them to establish special programs or special classes for exceptional children. In this connection, the Commissioner shall advise the State educational agencies of the names and home addresses of all individuals from their respective States who have received fellowships, scholarships, or grants for training in the field of education of exceptional children, and the particular field of study each is pursuing, so that the respective State educational agencies can then take appropriate steps to seek to attract such persons to positions in their home States in order to utilize the advanced education and skills which they have acquired under this program: *Provided*, That no individual receiving a scholarship, fellowship, or grant for advanced study under this Act shall be required, as a condition of such scholarship or fellowship or grant to promise to take employment subsequently in any State."

Mr. FOGARTY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD on the items referred to above.

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

There was no objection.

SUBCOMMITTEE ON DOMESTIC FINANCE OF THE COMMITTEE ON BANKING AND CURRENCY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Domestic Finance of the Committee on Banking and Currency may

have permission to sit during the sessions of the House tomorrow and on the following day in general debate.

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

There was no objection.

TOBACCO RESEARCH

Mr. COOLEY. 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 North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, the Tobacco Subcommittee of the House Committee on Agriculture will hold public hearings beginning tomorrow, Wednesday, January 29, and continuing through Friday, January 31, on the importance of research in accomplishing maximum assurances of health in the use of tobacco.

I have communicated directly with Members of the House and Senate who represent States and districts producing cigarette tobacco, inviting all to attend and participate in these hearings. We are reserving special time on Friday for Members who wish to testify personally before the subcommittee.

Tomorrow, Wednesday, we shall receive statements from Dr. Luther T. Terry, the Surgeon General, and Dr. James M. Hundley, Assistant Surgeon General, whose office recently issued the report on "Smoking and Health"; from Dr. Nyle Brady, Director of Research, U.S. Department of Agriculture; from the Governors of principal cigarette tobacco producing States, and others.

On Thursday, the heads of the departments of agriculture of the tobacco-producing States, spokesmen for farm and other organizations, and various persons who have requested time, will be heard.

I hope that many of you will find the time to attend the hearings on Wednesday and Thursday. If you wish to submit a statement and cannot be present on Friday, we are holding the record open so that your statement may be filed and made a part of this record.

I emphasize to the House that this is not a hearing on the Surgeon General's report, "Smoking and Health." The hearing will be directed to the pending resolutions proposing to authorize and direct the Secretary of Agriculture to conduct research into the quality and health factors of cigarette tobacco, particularly to discover and emphasize these factors in the plant breeding, culture, and handling of tobacco that goes into the manufacture of cigarettes.

This hearing does not pertain to various proposals for labeling or other legislation, as these matters are outside the jurisdiction of our Committee on Agriculture. Such legislative proposals have been referred by the Speaker to another committee of the House. Our committee has jurisdiction with respect to research into the production and handling of tobacco, and this is the area to be comprehended by the hearings before the Tobacco Subcommittee.

Mr. Speaker, I think we must accept the fact that millions of people will continue to smoke cigarettes, irrespective of the report just issued. Therefore, the primary responsibility before us is how we may give maximum assurances of health to those who continue smoking. In these hearings, our Committee on Agriculture is responding to its responsibility, and we appreciate the interest shown by each Member of this House.

THE NATION'S TRIBUTE TO THE LATE SENATOR HERBERT H. LEHMAN

Mr. RYAN of New York. 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. RYAN of New York. Mr. Speaker, today the Nation honored the memory of one of its most distinguished and beloved citizens—Senator Herbert H. Lehman. At a White House ceremony, which I was privileged to attend, President Johnson presented the Freedom Medal to the lovely Mrs. Herbert H. Lehman, who accepted it on behalf of her husband.

I can think of no other public figure more deserving of the Freedom Medal than the late Senator Lehman. As New York's Lieutenant Governor, Governor, and U.S. Senator, Herbert H. Lehman served the people of his State and of the Nation with unwavering dedication to our democratic principles. His compassion, humanity, and integrity earned him a degree of esteem and affection which few in public life are privileged to enjoy. His life was marked by a long record of remarkable achievements. Perhaps he will be most remembered as the voice of liberalism in the Senate during the hysteria of the 1950's. A courageous fighter for civil rights, civil liberties, and a fair and just immigration policy, he was rightly known as the conscience of the Senate.

After his retirement from the Senate, his deep concern for the welfare of New York motivated Herbert H. Lehman, at the age of 80, to lead the cause of political decency and reform within the Democratic Party. He fought fiercely against the boss system, inspiring thousands of volunteers to become active in grassroots politics.

Mr. Speaker, I include at this point in the RECORD the remarks of President Lyndon B. Johnson delivered at today's ceremony awarding the Presidential Freedom Medal to the late Senator Herbert H. Lehman:

REMARKS OF THE PRESIDENT AT PRESENTATION OF MEDAL OF FREEDOM AWARD TO MRS. HERBERT H. LEHMAN, CABINET ROOM

President JOHNSON. Mr. Secretary, Mrs. Lehman, members of the family, and friends of Herbert Lehman, in December, one of my first and most rewarding acts was to confer the Presidential Medal of Freedom for distinguished achievements on 33 individuals. The brilliance of that occasion was marred by the absence of two men; John Kennedy, who conceived and planned these new civil honors, and Herbert Lehman, whose death in New York occurred just minutes before his departure to Washington to receive this award from a grateful nation.

Today it is altogether fitting that in special ceremony we present Herbert Lehman's Medal of Freedom to the one person who shared his life and his hopes, his triumphs and his disappointments, who was always with him in sunshine and in sorrow. Edith Lehman was the indispensable companion. When the days were dark or the mornings seemed far away, Edith Lehman was always there. No one knows this better than the friends of Herbert Lehman who are gathered here today.

The Nation is diminished when a patriot dies. Senator Lehman was an unusual man. He believed in the worth of the human being. He rejoiced and he agonized in the cause of freedom. He was civilized and calm when all around him were confused. He did not accept the view of the grayminded and the doom-hangers that the corrupted currents of this world would overwhelm.

He believed, as Aristotle had said, that excellence is much labored for by the race of man. He believed in the goodness and the rightness of the individual citizen and in that arena he fought his long fight. What a happy legacy he leaves to his family and to his State and to his Nation, an estate that will always endure for it consists of love and loyalty for his country.

Secretary BALL. Mr. President, the citation.

President JOHNSON. The President of the United States of America awards this Presidential Medal of Freedom to Herbert H. Lehman, citizen and statesman. He has used wisdom and compassion as the tools of government and he has made politics the highest form of public service.

The WHITE HOUSE, *Washington, D.C.*

Mrs. LEHMAN. Mr. President, may I thank you very much for your tribute to my husband. And I would like to thank everybody who is gathered here, because I know they are here in tribute to my husband. I can't tell you how honored I feel to accept this medal. I want to also say that the knowledge that this medal was coming to him added a great deal to his last hours of life. And I want to thank you ever so much for the many things you have done which has meant a great deal to him. I know he listened to you. When we were at Atlantic City we listened to your speech to the joint Congress and he was very thrilled and very encouraged and very happy.

I know he wrote to you at that time and you were kind enough to reply. He never saw the reply, but I want to thank you very, very much.

President JOHNSON. There is nothing more I can add except this: Senator Lehman was a most unusual man and a most thoughtful person. When I was hovering between life and death, he made it possible for me to be here today. He got up in the Senate one morning, the first time a Senator had arisen since 1789, and offered a Senate resolution that the Senate pray for my recovery. And it was just at the time when I needed every prayer I could get. And his prayer was answered. Thank you.

REQUIRING MILITARY PERSONNEL OF THE UNITED STATES TO COMPLY WITH THE CONSTITUTION OF THE UNITED STATES BEFORE ACCEPTING UNITED NATIONS MEDALS AND SERVICE RIBBONS

Mr. UTT. 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 California?

There was no objection.

Mr. UTT. Mr. Speaker, I have this day introduced a House joint resolution requiring military personnel of the United States to comply with the Constitution of the United States before accepting United Nations Medals and Service Ribbons.

On January 7, 1964, President Johnson issued Executive Order No. 11139, authorizing acceptance of the United Nations Medal and Service Ribbon. This is in direct violation of article I, section 9, clause 8 of the Constitution of the United States which reads as follows:

> No title of nobility shall be granted by the United States: And no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state.

If the President can issue Executive orders overriding the Constitution of the United States, there is little reason to have a Constitution. Each clause and section of the Constitution is of equal dignity, and the President of the United States should be the first to recognize this. Any change in the Constitution should be made in accordance with the provisions of the Constitution providing for such amendments.

I sincerely hope that the appropriate committee will hold immediate hearings on this resolution and send it to the floor for proper action.

BUILDING THE PANAMA CANAL

Mr. PEPPER. 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. PEPPER. Mr. Speaker, at a time when demands are being made upon our Government that we give up or surrender control over the Panama Canal, it is well that we recall the thrilling story of American sacrifice, heroism, and expenditure which made possible the construction of the Panama Canal. One of the men to whom we are most indebted for that herculian achievement is Gen. Robert E. Wood who is best known to the American public for his many years of successful direction of Sears, Roebuck & Co.

From the time he was lieutenant at the age of 24 when he was assigned to serve on detached duty with the Isthmian Canal Commission through the important command of Chief Quartermaster of the canal and director of the Panama Railroad, General Wood rendered to his country in the construction of the canal, 10 years of dedicated and distinguished service. General Wood was truly one of those indispensable men who made this great project the greatest manmade project on earth at the time of its construction possible.

On April 10, 1963, before the Commercial Club of Chicago, General Wood told the story of the building of the Panama Canal. This is a story the American public should know. Fortunately, the Honorable William Benton, former distinguished U.S. Senator from Connecticut, and former eminent Assistant Secretary of State, as publisher and chairman of Encyclopedia Britannica has made this address of General Wood into a bound volume for circulation to a limited number of friends. I feel that the Members of the Congress now so vitally concerned with the preservation of America's legitimate interest in the Panama Canal should have the benefit of General Wood's first-hand account of the building of the Panama Canal. Hence, I submit this moving address of General Wood from the volume of the Encyclopedia Britannica entitled: "Monument for the World" as follows:

MONUMENT FOR THE WORLD

The club has been kind enough to invite me to be its guest and to speak on the building of the Panama Canal. I have reached an age where I had determined to do no further public speaking, but as I felt I was among friends and the subject was one dear to my heart, I decided to violate my rule. I hope you will not too greatly regret the decision.

To refresh your memories I will sketch some of the pertinent facts that led to our beginning the great work.

After years of investigation and research, a commission headed by Adm. John G. Walker, of the U.S. Navy, recommended the construction of a canal through Nicaragua. The report was rendered in November 1901. In January 1902 the New Panama Canal Company in Paris, reacting to the report, cabled Admiral Walker their readiness to accept a U.S. offer of $40 million for their holdings in Panama. They had originally asked $109 million. The Walker Commission on January 18, 1902, then canceled its first recommendation and recommended Panama as the route for the canal.

I might mention that the $40 million was a good bargain. The French had completed 29,900,000 cubic yards of excavation useful to us. They conveyed to us the Panama Railroad Line and all its assets. These assets included the ownership of valuable property in the cities of Panama and Colon, as well as the Panama Railroad Steamship Line and all the French equipment.

In June 1902, Congress passed the Spooner Act, which was the basic law for the construction of the canal. It authorized President Theodore Roosevelt to acquire all French canal holdings for $40 million and also authorized him to obtain from Colombia perpetual control of a strip of land for the maintenance, operations, and protection of the Panama Canal and Panama Railroad and through the Isthmian Co. to construct the Panama Canal. The Colombian Senate rejected the treaty in 1903. The Province of Panama revolted and declared its independence. Panama then signed a treaty with the United States in November 1903, granting the United States in perpetuity exclusive use, operation, and control of the Canal Zone. The United States recognized the independence of Panama and agreed to pay the Republic of Panama the sum of $10 million and, 9 years after ratification, a yearly payment of $250,000, which was raised in 1936 to $430,000 and in 1955 to $1,930,000.

In March 1904 the first Isthmian Canal Commission was appointed to build the canal and John F. Wallace, then vice president and chief engineer of the Illinois Central Railroad, was appointed as its first chief engineer.

A gigantic task awaited this Commission. The French company had had a small force at work, not over 1,000 men, employed principally in dredging operations, just sufficient to hold the concession from Colombia. The two cities of Panama and Colon at the terminals of the Pacific and Atlantic sides were at that time towns of approximately 30,000 and 10,000 people. Neither had any water supply or sewers. The Canal Zone between was virtually unpeopled.

The Commission had to recruit labor from the United States, the British West Indies, and Europe. It had to provide the means of housing and feeding the force. It had to import from the United States all the equipment needed for the largest construction job in the world. It had to furnish a government with judges, police, etc.

The original Commission faced the biggest construction job in the world at that time, in a location devoid of material, labor, or equipment. Yellow fever was still prevalent in Panama and the zone—one out of every three Frenchmen sent there in the period from 1879 to 1890 died—and this proved a great deterrent to the recruiting of Americans of the right quality. The beginnings of the force recruited in 1904 and the first 6 months of 1905 were largely Americans who had left the United States for this country's good—railroad men who were blacklisted on the American railroads, drunks, and what we called tropical tramps, American drifters in Latin America.

The canal from its inception appealed to the imagination of the American people, and in 1904, after the new Commission took office, there was a demand to see "the dirt fly." Unfortunately, the Commission yielded to that clamor and started in 1904 to do excavation work before there was adequate organization and before equipment and labor were available. The exception was the beginning of the sanitation and medical organization under the direction of Col. William C. Gorgas. This work was properly organized and operated from the very beginning.

As a matter of fact, we might not have done any better than the French except for three factors: our knowledge of the transmission of yellow fever, the invention of the steam shovel, and the U.S. Treasury to finance the job.

In March 1905, I was fortunate enough to be detached from the Army for duty with the Isthmian Canal Commission. I left the States that month and reported to Mr. Wallace at Panama for duty. At that time there was only one other Army line officer on the job. There were, however, some Army doctors, officers of the Medical Corps, and Colonel Gorgas. I was assigned to the Department of Labor and Quarters, dealing with the recruiting of labor and their housing and feeding. This was to become later the Quartermaster Department with many additional duties.

Three to four weeks after I landed, we had our first case of yellow fever, the head of the building department. He was taken to the hospital and died in 3 days. Within a week, many more Americans, "high" and "low," were taken to the hospital. As I remember, from the beginning to the end of the epidemic, about one out of every three Americans on the canal came down with the fever and about 50 percent of the cases died. Then began a rush of resignations as nearly everybody wanted to quit. To cap the climax, Mr. Wallace, then the chief engineer, who had been up in the States recruiting American skilled labor, returned to the isthmus in the midst of the epidemic and tendered his resignation—his assistant did likewise. It was exactly as if in Chicago at the headquarters of one of our great companies, the president, all of the vice presidents, most of the key men, the first and second echelons, resigned within a period of 6 weeks. Naturally there was complete demoralization on the work in May and June of 1905.

The epidemic really ended by September 1905. From then on we never had another case.

Personally, I have always felt grateful to the yellow fever for my first great opportunity in life. I was then 25 years old, had no idea of getting the fever, and did not get it, though I was bitten by the same mosquitoes that bit my comrades. Anyone who stayed was promoted. I was promoted every month for 3 months in the canal organization and more important to me, reached a position near the top of the organization at the beginning of the work. In June 1905, we had a force of 4,000 men—2 years later we had 30,000. The force reached a peak in 1913 when we had 44,000 men actually at work, which meant a total of over 50,000 men on the payroll, allowing for men on leave, sick, and absent for other causes.

In June 1905, John F. Stevens was appointed chief engineer and took charge of the work. He proved a truly great leader. He was originally chief engineer for the Great Northern Railroad. He located the Marias Pass, the lowest point in the U.S. Rockies, and was James J. Hill's greatest lieutenant. He was vice president of the Rock Island Railroad when he was appointed to the canal.

On his arrival he announced he was not going to do any digging until the proper preparations had been made. He immediately started the construction of homes for the married and single American employees, all in the Canal Zone. A big cold-storage plant was erected at the Atlantic terminal; commissaries were built, selling food and all the essentials to the employees; hospitals, schools and churches, and YMCA clubhouses were erected, barracks for the common laborers, and a chain of restaurants for all classes of employees. The pay for the American construction men was then some 25 percent higher than wages paid in the United States, plus free rent, free medical attention, and the necessities of life at cost in the commissaries. After the epidemic ended we began to get fine railroad men, fine construction men, fine employees in every category—of a very different character from the original force.

We had put our agents in the West Indies Islands to recruit common labor. However, the British island authorities of that period refused to let us recruit any labor except on the island of Barbados, which was heavily overpopulated. We took 20,000 men from that little island—10 percent of the total population, over 40 percent of the adult male population. We got 8,000 French-speaking Negroes from Martinique and Guadeloupe and 7,000 Gallegos from Spain.

We offered a contract to the West Indian laborers based on a pay of 10 cents per hour for a 9-hour day with living quarters and food at cost, plus repatriation at the end of 2 years. Wages at that time in the West Indies were 15 cents per day. Practically no Barbadians went home—they all remained on the canal and their descendants are still there.

Most of the Negroes were sugarfield workers, had never seen a construction job in their lives, had never seen or handled any sort of machinery. The problem of how to teach and train this force was in itself very great.

The efficiency of the Barbados labor was very low at the outset. They were great theologians, very wordy, and in the beginning whole gangs dropped their tools to engage in theological disputes. They were great letter writers. As the man who provided their food and lodging, I was a big man in their eyes, and one day I received a letter from one of the Barbados laborers addressed to "My master next to God"—I have never been so important since.

The European labor was paid double for the same class of work, as their efficiency was rated 3 to 1 to the Negroes. The efficiency of the Negroes improved by competition and experience. At the end of the work there was very little difference in productivity or pay between the Negroes and the European common laborers.

The working hours were from 7 to 11 a.m. and from 1 to 5 p.m. The heat was worst at noon. We had a 6-day week—no Saturdays off. Our headquarters from 1908 to 1913 was in a big building at Culebra overlooking the cut. Colonel Goethals worked every evening until 9 p.m. and every Sunday morning. The department heads at headquarters observed the same hours.

With liberal pay, fair treatment, and a great job to be done, this heterogeneous force was welded together by the end of 1908 into an efficient force with high morale. We never had a strike. The handling of the working force during the construction of the canal will stand as a model of intelligent, just, and liberal treatment of labor.

As stated, Mr. Stevens instigated a great housing program, so that men could bring their families with them. Even after the yellow fever had been eradicated, Panama had a bad name. Very few middle-aged or older people would come to the isthmus. The result was that our employees averaged very young; many of the men had been recently married, and many brought their brides with them or went up to the States on their first vacation to get a bride.

Besides our railroad men, who were a fine class of men, we had a large number of young professional men—doctors, engineers, meteorologists, hydrographers, scientists—all with university educations. The majority of their wives also had good educations. We had no theaters, no movies, no automobiles, no roads, no radio, no television, but we were all young and managed to have a good time. Our Barbadians, as soon as they managed to get a little ahead, sent for their women in Barbados and set up households on the canal.

The work of preparation, including the double tracking of the railroad, the building construction, the installation of all the necessary utilities for a force of 50,000 men, the layout of the work in the Culebra (Gaillard) Cut, the purchase of the necessary equipment, steam shovels, dump cars, locomotives, drills, etc., went on through the balance of the year 1905 and most of the year 1906.

A board of 13, including 5 top American engineers and 5 foreign engineers, had been appointed to recommend the type of canal—sea level or high level. They rendered a report in January 1906, the five foreign engineers voting in favor of a sea canal, the five American engineers voting for a lock canal. The chairman, Gen. George W. Davis, voted with the foreign engineers, and the vote was 8 to 5 for a sea-level canal. Mr. Stevens was in favor of the lock canal and sent his report to President Roosevelt. His arguments carried the day, and Congress voted the construction of a lock canal.

Col. H. F. Hodges, the assistant chief engineer, an officer of the Corps of Engineers, was a great technician and was put in charge of all design. He immediately recruited a body of the ablest, smartest young engineers in the United States to design the locks, the Gatun and Miraflores Dams, the spillway, and the lock machinery. A large number of these engineers and draftsmen were at this work for 6 years. All were drawn from civil life. One of them, Ed Schildhauer, a graduate of the University of Wisconsin, designed the lock machinery and the controls, probably the most complicated of all the design work. From the day it was put in operation it performed perfectly and is still in operation after 49 years.

After the decision had been made and after most of the preparatory work had been completed, we began the real digging in the late fall of 1906 and the dirt really began to fly.

On January 30, 1907, Mr. Stevens, after an argument with President Roosevelt, tendered his resignation. It was a great shock to the force, all of whom admired and respected him. He truly laid the foundation for the work.

The President then appointed Col. George W. Goethals of the Army Corps of Engineers as chairman and chief engineer. Colonel Goethals took over in February 1907. The new members of the Commission were Adm. H. H. Rousseau of the Navy and Majs. William L. Sibert and David D. Gaillard of the Army.

In retrospect, perhaps the change was good. Mr. Stevens, while a great railroad construction engineer, had had no experience in locks and dams. Colonel Goethals did have long experience in that type of work. He also proved a great administrator and leader. The work was fortunate in that it had these two great men.

Colonel Goethals set up an organization headed partly by military personnel and partly by civilian personnel. The Atlantic division, the Gatun locks and Gatun Dam, was headed by an Army colonel of engineers with four or five Army engineers as assistants. The Pacific division, the Pedro Miguel and Miraflores locks and the Pedro Miguel Dam, was headed by a civilian engineer, Sidney Williamson, with all civilian assistants. Naturally there was intense competition between the Army and the civilians. The central division with the Culebra Cut was under the control of Colonel Gaillard of the Engineers with civilian assistants headed by an MIT graduate, Louis Rourke.

The Quartermaster Department, which controlled the housing and feeding of the forces, the building construction, and the requisitioning, storage, and distribution of all supplies, was first headed by an Army officer, Col. Carol Devol of the Quartermaster Department of the Army. Colonel Devol fell seriously ill and was recalled to the States in 1912. I was his assistant and succeeded him as chief quartermaster.

Colonel Gorgas headed the medical department. Our medical and sanitary department was superb. For that day our hospitals were ahead of the times. Most of the Army medical officers served as administrators of the hospitals and sanitary works. Our surgeons and doctors were tops. They were all drawn from civil life with the exception of two Army officers. From being a pest hole, Panama after 1907 had a splendid health record.

The Canal Government, the controller, treasurer, and legal departments were all headed by civilians. There were no Army troops stationed in the canal until 1910. The administration of justice was prompt and efficient. There was one Federal judge, appointed by the President, and a Federal constabulary or police. It was under the Roman civil law, and there was no trial by jury.

During the year 1907, President Roosevelt visited the canal for 5 days. It was the first time that an American President had ever left the limits of the United States. Teddy lived up to his reputation for strenuosity. He was on the go from 7 a.m. to 9 p.m. He literally inspected everything.

I might mention something about the personalities of the two men, Colonel Gorgas and Colonel Goethals, who had most to do with bringing the work to a conclusion.

Colonel Gorgas, or rather Dr. Gorgas, who headed the medical and sanitary department, was a southerner, the son of a West Point graduate who became the Chief of Ordnance of the Confederate Army and was a very gifted man. His son, Dr. Gorgas, was a lovable man, idolized by his subordinates, respected by his colleagues. While easygoing,

he could not be budged from a principle he believed in. He was the only Army medical officer who ever became head of the AMA.

Colonel Goethals was his exact antithesis. He graduated second in his class at West Point, had a fine mind. Unlike Gorgas, he was stern and unbending—you might say a typical Prussian—but his iron will and terrific energy were responsible for driving the work to a conclusion in record time. He might be termed a benevolent despot. I was his assistant for 7 years, and I might say that everything in my life since has seemed comparatively easy.

From 1907 the work progressed rapidly. There were the mishaps due to a tropical climate; torrential rains, slides in the cut, floods in the Chagres River, breaks in the railroad, innumerable injuries and deaths to our common labor from accidents, but the work went steadily forward.

As the excavation approached the bottom of the Culebra Cut, it was decided to complete that job by dredges rather than by the steam shovels, wet instead of dry excavation. So in 1913 we took the shovels, the drills, the locomotives and dump cars out of the cut. We took up all the rail tracks in the cut. Finally in September 1913, most of the employees assembled at the north end of the cut at Gamboa. At that point there was a great dike that separated the waters of the Chagres River from the cut. An immense charge of dynamite was set off, the dike disappeared, and the water of the Chagres and the dredges entered the cut. From that date on the dredges did the remaining excavating.

For the next 11 months the force worked at fever pitch. Men reported to work early and stayed late, without overtime. All worked to break records and speed the work. I really believe that every American employed would have worked that year without pay, if only to see the first ship pass through the completed canal. That spirit went down to all the laborers.

Finally, on August 15, 1914, 2 weeks after World War I began in Europe, all was ready. The channel in the cut was clear, the dams were completed, the locks completed, the lock machinery in working order—all ready for the first vessel.

There were many dignitaries from Washington and foreign countries who had come down to see the opening, but Colonel Goethals decreed that only Americans who had worked 7 years on the canal could go through on the first boat regardless of their position, whether they were plumbers, drillers, locomotive engineers, or the heads of departments. As I had been there nearly 10 years, I was one of the fortunate ones, as well as my wife and two of my (then) small daughters. We all boarded the SS *Ancon*, started in at the Atlantic entrance, were lifted up in the locks at Gatun Lake, and passed through the lake to the cut. When we reached the Continental Divide in the Cut and the ship passed between Gold Hill and Contractors Hill, most of the men—and a great many of these hard rock men were tough babies—were in tears. We then went down the Pedro Miguel and Miraflores locks and then out to the Pacific Ocean. It was a great day.

The canal was then opened to navigation, but very soon afterward the great Cucaracha slide came, the canal was closed, and it took months to get it opened. Sporadic slides occurred in 1916, and 1917 was the first year of uninterrupted traffic.

After August 15, 1914, it became a job. I asked to be relieved, but Colonel Goethals requested me to stay until the spring of 1915 to put up the permanent buildings of the canal. So I remained until May 1915.

I think that all of you, as American citizens, can take pride in the building of the canal. It was estimated to cost $375 million—the job was completed ahead of time and at a cost of $342 million. From start to finish there was never a single scandal, never a penny of graft. It was a 100-percent-clean job. After the first 3 years, there was no construction force in the world that compared with it in efficiency and morale.

The canal graduated the men who built railroads in Brazil, Ecuador, and Peru. One of our engineers later organized his own contracting firm and built a railroad in the northern part of Panama and most of the railroads in Central America. Another engineer, with our superintendent of steam shovels, organized a contracting firm that built much of the Canadian National Railroad through the Rockies to Prince Rupert on the Pacific. Another canal employee arranged the organization and construction of the one railroad in Iran. Col. Frederick Mears, who succeeded Ralph Budd on the Panama Railroad, built the Alaskan Railroad and later as chief engineer of the Great Northern built the tunnel that pierced the Cascades. The canal furnished two vice presidents to the United Fruit Co., one to the Allied Chemical Co., and many other officers to lesser corporations. It produced three presidents of American railroads, one of them, in my opinion, the ablest railroad man in the United States—Ralph Budd.

Our doctors organized and staffed the medical force of the United Fruit Co. and furnished many of the leading figures in tropical medicine and research. Dr. Gorgas, after eliminating yellow fever in Panama, and virtually eliminating it in other places around the globe, later, at the request of the British Government, made a study of sleeping sickness in Africa.

When we entered World War I, Colonel, then General, Goethals became the Assistant Chief of Staff of the Army, General Gorgas became the Surgeon General of the Army, and I, as a result of my experience and training in the canal, became the Acting Quartermaster General of the Army.

The canal has even been successful from a financial point of view. In 1917, the first year of uninterrupted transit, 1,937 vessels passed through the canal, carrying 7,210,000 tons of cargo and paying $5,628,000 in tolls. In the 1962 fiscal year, 11,340 vessels carrying 68,660,000 long tons of cargo went through the canal and paid $58,347,300 in tolls. It has paid back to the Treasury the interest on the bonds amounting to approximately $9 million yearly and has out of its revenue retired $20 million of the bonds.

Advocates of government ownership might well point to the canal as a successful example of government operations, but there was a special reason for this. We had a strong President, Teddy Roosevelt, the American people as a whole were solidly behind the project, and we were 2,000 miles from Washington. In the whole period there was never a single political appointment in the canal. I doubt whether these conditions can ever again be duplicated in a Government project.

Some of you no doubt have read of the persistent efforts of the Panamanian Government to cancel or modify the existing canal treaty with our Government. Our Government faithfully fulfilled the terms of the original treaty, has raised the yearly rental from $250,000 a year to almost $2 million a year, and has given to Panama some $25 million worth of property in the city of Panama.

The truth is that the Republic of Panama is not a nation. It is not like Peru and Colombia, with a distinct Spanish culture and a distinct nationality. The population of Panama is 12 percent white, 13 percent black, 72 percent mulatto, and 3 percent Indian. There are a few wealthy families in the city of Panama, mostly descendants of Spanish, French, English, Scottish, and German merchants and traders, who control the Government and are now constantly pressuring the United States for more money and control of the canal. The United States has created all the wealth that exists in Panama.

To those of us who worked on the canal it is unthinkable that we should give up our rights there. American money and brains were responsible for the building and operation of the canal, as well as American labor and the foreign labor imported by us. There was practically no Panamanian labor in the building of the canal.

The problem of Cuba and its Government has a direct bearing on the protection and operation of the canal. Until recently the canal was reasonably safe from injury. Russia has no Navy that threatens us with the exception of submarines, but they are a long distance from Panama. Today with missiles in Cuba, as well as submarine bases, the locks might well be destroyed from Cuba.

I have tried to tell you as well as I can the epic of the building of the canal. It is hard for me to transmit to you the feeling we all possessed toward the work. Rarely can man see his own work, but we saw it physically as, year by year, we saw the Cut grow deeper and deeper, the lock walls higher and higher, the dam, the lake. We all felt we were doing a job that was of benefit not only to our own country but to the world. We were proud that the job was being done honestly, efficiently, and expeditiously.

I have good reason personally to be grateful to the canal. As a young man and a director of the Panama Railroad, as assistant chief quartermaster, as chief quartermaster of the canal, and as head of the construction department, I had a wonderful experience in the handling of labor, the supervision of two great ports, the building construction on a large scale, and most of all the handling of the supply system of a large job. That experience proved of value to me as the head of the Quartermaster Department of the Army and later in the great company which I had the honor to head for many years.

The canal will always remain a material monument from a construction and engineering standpoint. It will also stand as a monument in the minds and hearts of the employees who worked on it during the construction period, one no less enduring than the physical monument.

I hope you, as citizens of our country, will feel likewise.

RUSSIAN WHEAT SALE NEEDS PUBLIC EXPOSURE

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

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

There was no objection.

Mr. FINDLEY. Mr. Speaker, hearings on the Russian wheat sale could not be more timely—or more tuned to public interest. This very day the first shipment of Durum wheat bound for Russia is being loaded at Norfolk, Va.

The Russian wheat sale lacks the sexy overtones of the Bobby Baker hearings on the other side of the Capitol, but it wins hands down from the standpoint of

tax dollars wasted and sound principles gone astray.

I sincerely hope the subcommittee will persist in it until all facts are placed in full view of the public. The sale rightfully deserves public exposure. It is not a normal commercial transaction by any stretch of the imagination. It is public business. The U.S. Department of Agriculture and the U.S. Department of Commerce are in it up to their necks.

So are the taxpayers. By reference to just two recent transactions, I can show that a new little known and unwritten policy of the USDA—begun as a way to pressure certain U.S. vessels into hauling wheat to Russia—has increased direct costs to U.S. taxpayers by $381,000. This policy has also indirectly boosted tax costs at least $150,000 because of the adverse effect it has had on the cost of shipping U.S. Government oil products from the Persian Gulf.

Under this policy, the USDA, cooperating with the Commerce Department, is disqualifying certain U.S. vessels from bidding for Public Law 480 shipments until the Russian wheat shipment problem is solved. This, of course, is harsh treatment for the vessels involved. It is discrimination of an unprecedented order. It is also harsh treatment for U.S. taxpayers, because the taxpayers have to cover the loss when low-bidding ships are disqualified.

For example, South, Inc., a shipping firm based in Jacksonville, Fla., on January 23 responded to the public invitation for bids on a Public Law 480 shipment and presented an offer for the firm's U.S.-flag tanker, *Vicksburg*, to perform from U.S. gulf to Karachi, Pakistan, at $22.75 per long ton. I have information from private sources that several other similar bids were made within the same freight rate range.

The South, Inc., bid was rejected in favor of bids on other smaller ships at $26.95 per long ton. The difference in the bids figures about $120,000, and every penny of this loss comes from the pockets of taxpayers. This is so because under the terms of Public Law 480 shipments, taxpayers cover the premium cost of hauling half the shipment in U.S. vessels.

Another similar transaction of which I have knowledge shows a loss to taxpayers of $262,500.

The purpose of this policy, of course, is to encourage—or coerce—U.S. vessels of certain size and equipage to accept Russian-bound wheat cargo. If U.S. flags are barred from Public Law 480 shipments, they have almost no place else to go.

The subcommittee should dig into this strange business and find out if this preferential, discriminatory policy is lawful. In verifying this policy at the Foreign Agricultural Service, I asked for the authority and was told simply that the policy had come down from the Secretary of Agriculture's office.

Last month USDA paid an export subsidy averaging 72½ cents a bushel on 13 million bushels of Durum wheat. The subsidy was paid to Continental Grain Co. of New York. A few days later the Department refused to pay a 59-cent subsidy on 110,000 bushels. Shortly before the Continental bid was accepted, USDA had accepted bids as low as 59 cents. Since it was consummated, USDA has accepted two bids at 52 cents. All except the one to Continental were for export to friendly countries. Continental's grain was for Russia.

Obviously, Continental got preferential treatment. The presumption accepted by all responsible observers of my knowledge is that the USDA paid this fancy bonus—worth $1,700,000—so Continental could meet the premium cost of shipping half of the wheat in U.S. vessels.

These questions should be answered: Was this preferential treatment lawful? What is the authority? Why better prices for exporters with Communist customers than those with free-world customers? If Continental is unable to sign sufficient U.S. vessels to carry half the wheat to Russia, and gets a waiver on this requirement, will taxpayers be able to recapture the part of the export subsidy intended but not needed as a shipping subsidy?

USDA officials could properly be called to justify this abnormally high export subsidy. If a subsidy for ocean freight was included, how was it calculated? If not, who got the bonanza?

USDA and Commerce Department officials who negotiated with Continental on the Russian wheat deal should explain what happened.

Another question which may properly be considered by this subcommittee: Did the Commerce Department comply with laws and its own regulations in issuing the export license to Continental for the Durum wheat?

On the basis of the best information I can obtain, it appears that the export license was issued prior to consummation of the wheat deal between Continental and Russia. If so, it violated the Commerce Department's own regulations.

Export Bulletin 883 of the Commerce Department, issued November 13, 1963, requires that each export license application be accompanied by form FC–842, properly executed. Did this form actually accompany the Continental application for export license? On the face of it, it would seem impossible, as form FC–842 requires the listing of quantity, value of commodities and numerous other details, including certification by the buyer that transshipment will not occur. Did the Soviet Union so certify prior to the issuance of the license? If not, what is the authority and justification for making the exception?

Finally, I hope the subcommittee will see fit to call as witnesses Mr. Michel Fribourg, president of Continental Grain Co. and any other officials of this company who have had to do with the Durum wheat transaction.

The following would be appropriate questions for them:

Was the subsidy paid to Continental abnormally high in order to cover some of the expense of ocean shipping? If not, who gets the bonus? If it does go to hire U.S. vessels and thus, in effect, subsidizes ocean transportation to the Communist destination, who originated the idea of hiding the shipping subsidy as a part of an abnormally high export subsidy? Did the idea originate in Continental Grain Co. or the USDA? In any event, with whom in USDA—if anyone—did Continental discuss the Durum wheat subsidy bid before it was actually offered?

There are other costs to the taxpayers that deserve attention. For example, the pullout of tanker-type ships from the United States to India-Pakistan run, resulting from the Russian wheat deal policy, has forced taxpayers to pay more than double the rate for petroleum shipments from the Persian gulf area. The Military Sea Transportation Service, U.S. Navy, has informed me that MSTS is now paying $8 a ton for shipping that was costing only $3.66 last September, just before the Russian wheat deal was discussed. This involves about 1 million tons annually. This means a loss to taxpayers of $4 million, figured at an annual rate. This figures $333,000 a month—or more than $150,000 for the period the new policy has been in effect.

Tanker-type U.S. vessels carrying wheat to India and Pakistan under Public Law 480, accept return-trip business at a cutrate price because they would otherwise come home empty. Now that these ships have been pulled off the run to India-Pakistan the grain is being hauled in the "dry-hold" type vessels. These vessels cannot efficiently handle petroleum products, and therefore the MSTS is being denied the cutrate price. Hence the jump in rate from $3.66 to $8.

My information is that Continental Grain Co. has 2 months—February and March—in which to ship a half-million tons of wheat in U.S. vessels, if these are available. Thus far, the firm has made three tenders seeking vessels at the unusual terms and conditions of the deal, but has lined up only a tonnage of less than 100,000 tons—only a fraction of that needed.

Plenty of U.S. vessels are anxious for business, but not at the terms and conditions offered. The Johnson administration policy which, for all practical purposes, bars the big efficient vessels from hauling to free world destinations, is obviously intended to put the squeeze on U.S. shippers so they will accept the terms and conditions demanded by Continental and its associates.

United States vessels cannot operate without a substantial subsidy, and can qualify for U.S. subsidy only in shipping generated by the U.S. Government. Foreign vessels would ship from United States gulf ports to Odessa for about $11 a ton, compared with the $18.02 price specified for U.S. vessels last October by the U.S. Maritime Administration.

DAVIS-BACON ACT AMENDMENTS

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. GLENN] 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 Vermont?

There was no objection.

Mr. GLENN. Mr. Speaker, in controversial legislation, we who are not members of the reporting committee must

depend for information and knowledge from the committee report, the debate on the floor and, if we have time to do it, refer to and read the committee record.

However, there comes a time when a Member has personal knowledge and experience with the subject matter of the proposed legislation. It is perhaps natural that he thus looks for guidance to his own knowledge gained from his own personal observation. I am in that position on this bill H.R. 6041 and as early as May 29, 1963, I introduced a companion measure, H.R. 6673, because I was convinced that the Davis-Bacon Act does not give the protection at the present time that it was intended to give at the time of its enactment in 1931. It is a good law but progress has occurred and times have changed in the labor area. This bill will correct one of the main shortcomings of the act. It has taken into consideration the so-called fringe benefits—health, welfare, and pensions—in fixing the prevailing wage scale which must be met by a contractor or subcontractor in any area of Federal contracts or federally aided projects.

Time after time in my Second District of New Jersey—Atlantic, Cape May, and Cumberland Counties—I have seen contracts let at Federal installations to the low bidder which is as it should be. Unfortunately, for the local area, however, the low bid was by an out-of-State contractor who paid lower wage rates in his area. The result would be that local contractors and both skilled and unskilled labor had to watch strangers come in from out of State and do work which our area needed badly.

We have had some large projects where low paid construction workers were brought in from outside the local communities for long periods and on weekends they would leave the area for their homes taking their paychecks with them. This situation tended to undercut local wage rates and living standards not only for the construction workers and their families but the local community as well.

In an already depressed area this was like rubbing salt into the wounds. Many workers blamed the Federal Government for bringing these out-of-State workers in to do work in their communities. I found it difficult to explain, when we were talking about their Government, their livelihood and their taxes.

This bill will be of great aid in stopping such undercutting. It is aimed to stop unfair competition by contractors who underbid local contractors who hire workers in their locality and pay wage rates—including fringe benefits—on Federal installations and projects.

If there are other changes, including administrative, which should be made to the Davis-Bacon Act, let us get on with doing it with the whole act—but do not let that stop this specific correction so badly needed now. I urge the enactment of this much-needed legislation.

THE REPUBLICAN HOUSING PROGRAM: OPERATION NEIGHBORHOOD

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] 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 Vermont?

There was no objection.

Mr. WIDNALL. Mr. Speaker, the minority members of the House Special Housing Subcommittee are introducing today, as announced last Friday, housing bills to provide low-income Americans with better housing and living conditions, both in human and economic terms. Included in the package will be a new low-income housing approach making use of private housing units already available, a new loan program to encourage rehabilitation instead of the bulldozer for neighborhoods, a complete overhaul of compensation payments to tenants and property owners, priority requirements for slum clearance over redevelopment of downtown commercial areas, and needed assistance for individuals and small businesses too long ignored. The Republican housing bills are: H.R. 9771, H.R. 9772, and H.R. 9785.

We have read the President's message on housing with interest, and we have examined his legislative proposals in detail with great disappointment. If this is the weapon he intends to use to fight his war on poverty, the battle we must win has already been lost. One section in particular in this voluminous proposal sets the tone for the entire document. This section raises the limitation on grants which can be used to redevelop nonresidential, downtown commercial areas, from 30 to 35 percent.

The reason, we are told, is:

> The 30 percent of grant authority available for nonresidential projects is now being fully utilized and is no longer adequate to meet the known demand for additional nonresidential projects.

Whatever happened to the "known demand" for residential projects? We challenge any administration official to go into any city in the country and tell its residents that there is no longer any need for slum clearance or rehabilitation of blighted residential areas, and that, in the war on poverty, the Democrats will now concentrate on commercial renewal. The real reason why there is full utilization of present grants and increased demands is that the present Urban Renewal Administration has sold the idea of a profitable commercial redevelopment, and played down its failures in rehabilitation, and housing code enforcement required by the Housing Act of 1949 as amended.

In contrast, the Republican alternative housing plan would set a specific priority for residential projects over those in commercial districts, and would place profitable commercial developments on a loan instead of a grant basis.

The U.S. Civil Rights Commission report of 1959 stated that the relocation phase of urban renewal was the most important key to the success of the program in human terms. The Johnson administration program contains only one improvement for this vital program which has been the most criticized of all, and that proposal is only to extend the requirement that decent, safe, and sanitary housing be available for displaced individuals as well as families. No mention is made of the small businessman. No effort is made to follow the recommendations of the July 1963 report of the Connecticut Advisory Committee on Civil Rights that a physical verification should be made of the existence of these alleged decent, safe, and sanitary housing units. In fact, the administration bill would do away with any check on the promises of localities that substandard housing was eliminated to qualify for low-income housing assistance.

In contrast, the Republican proposal would require physical verification of the availability of decent, safe, and sanitary housing, not at the time of the original plan, but at the point of time several years later when condemnation begins. If necessary, to fully protect the citizen being displaced, the project would be delayed. Small businesses would have to be assured of reasonable opportunities to relocate, including anticipating their zoning needs in the workable program.

The administration provides an additional pittance to the individual being displaced, and again fails to fully consider the needs of the tenant. The Republican proposal humanizes the eminent domain laws in line with enlightened recommendations made in and out of Congress for many years, and provides full payments for those dislocated or damaged by urban renewal projects, including not only liberal moving expenses, but replacement costs as well. We do not expect that these increased costs per project would increase the urban renewal fund pie, but rather that they would increase the consideration given to those being displaced, and encourage the use of rehabilitation and code enforcement instead of the present dependence on the bulldozer.

Although administration officials pay lipservice to the idea of making greater use of rehabilitation, there is again little news contained in the President's program. Only an insured home improvement loan for those over 62 years of age is provided, and then only if the individual can find a commercial lender. No effort is made to help the small businessman.

In contrast, the Republican proposal offers a new rehabilitation loan program, in place of an equivalent amount of capital grants, which would be provided for the owner or tenant, as an individual or businessman, who could not obtain or afford financial assistance from other commercial lending institutions. The 15-year loans at a little over 3 percent interest would amount to $100 million a year for 3 years, a figure we are willing to change in accordance with our findings during the forthcoming hearings on the housing bills.

Not one word in the administration program relates to prevention of slums by code enforcement. The failure to enforce the present workable program requirements has contributed to the conditions which have ended in justifiable rent strikes in New York and Cleveland. We have made an attempt to put teeth

into the requirement in order to insure enforcement.

The administration takes a short step in the direction of using existing private housing for low-income families, but our rent certificate program would be a major step of 30,000 units. This would cut down on the waiting lines and lists now prevalent in too many cities, and would tend to eliminate economic and social ghettoes.

At the same time, our program of 30,000 units of decent, safe, and sanitary housing—privately owned, managed, and paying full taxes—will cost only $11 million if all 30,000 units are utilized by the Public Housing Administration. The administration's program of conventional public housing—publicly owned, publicly managed, and paying much less than full taxes—will require $525 million just to build the proposed 35,000 units. On top of this $525 million, must be paid the interest charges of tax exempt bonds made available by back-door financing.

Under our plan, the housing could, and would, become immediately available. Under the administration's plan, its units would have to wait to a large degree on the 180,000 units, not yet available to the low-income tenants who need it so badly, but which the Public Housing Administration has building, has contracted for, has extended planning funds for, or has reserved for future action when it can catch up with its processing.

The administration is also asking for a general neighborhood renewal plan program which would put every homeowner and every businessman in jeopardy regardless of the condition or location of his property. This threat would hang heavy and long over their heads, since the administration would eliminate the requirement that a plan be completed in 10 years; rather, it would only have to be initiated within 10 years.

It is the Republican position that we need expeditious action. Programs are already delayed too long and too much time has been wasted. We believe that overall planning should have no greater consideration than the forgotten people—the slumdweller, the neighborhood storeowner, the tenant, the minority group. The administration seems more interested in insuring the vacation home of the redeveloper than insuring any home for the person who needs it.

I include as part of my remarks the press release of January 24, 1964, and the detailed analysis of the Republican housing program issued on behalf of the minority members of the House Special Housing Subcommittee on that date:

WASHINGTON, D.C.—Republican members of the House Special Housing Subcommittee, through the ranking minority member, Congressman WILLIAM B. WIDNALL, Republican, of New Jersey, announced today a 10-point housing program to provide low-income Americans with better housing and living conditions, both in human and economic terms. The Republicans called it Operation Neighborhood. Joining WIDNALL in support of the proposals which will be introduced early next week in the House, were Representative PAUL A. FINO, of New York; Representative FLORENCE P. DWYER, of New Jersey; and Representative JOSEPH M. MCDADE, of Pennsylvania.

"No one contests the problems inherent in the sprawling growth of metropolitan areas of population," the Republicans said. "It is our opinion, however, that the economic and social costs to those very people our housing and renewal programs are allegedly designed to aid have been ignored." They cited studies made for the U.S. Commission on Civil Rights and the Small Business Administration which have not been acted upon, and expressed their disappointment in the lack of thorough investigation undertaken by the Housing Subcommittee.

Included in the package will be a new low-income housing approach making use of private housing units already available, a new loan program to encourage rehabilitation instead of the bulldozer for neighborhoods, a complete overhaul of compensation payments to tenants and property owners for losses sustained from urban renewal projects, a nondiscrimination relocation clause, and sorely needed assistance to individuals and small businesses burdened by relocation problems. Slum clearance is given specific priority over redevelopment of commercial downtown areas, and future efforts in tax-enhanced commercial areas would be done through loans instead of grants.

The new loan programs would be in lieu of part of any additional capital grant request by the administration. By stressing loans, encouraging code enforcement, and rehabilitation, making use of existing private dwellings for low-income housing, and perfecting relocation techniques to prevent new slums, the Republican Congressmen stated that they would not only be aiding those in need of assistance, but would be accomplishing more for less money. They called this a "logical extension of the President's announced desire to economize without impairing the effectiveness of needed programs." At the same time they warned that the program itself would be in jeopardy both with Congress and the public if these basic reforms were not included in any new legislation.

STATEMENT BY CONGRESSMAN WILLIAM B. WIDNALL, REPUBLICAN, OF NEW JERSEY, RANKING MINORITY MEMBER OF THE HOUSE SPECIAL HOUSING SUBCOMMITTEE, ON BEHALF OF THE MINORITY MEMBERS OF THAT SUBCOMMITTEE, WITH REGARD TO A REPUBLICAN HOUSING PROPOSAL

We are announcing today the imminent introduction of a Republican housing package, featuring a new private enterprise approach to housing for low-income families, needed assistance and protection to individuals and small businesses displaced by urban renewal, and a return to the original concept of urban renewal as a means for eliminating and preventing slums. Bills containing these and other features will be introduced at the beginning of next week.

For our low-income citizens, we are proposing a 10-point program which should provide better housing and living conditions, in both human and economic terms. We call it Operation Neighborhood.

No one contests the problems inherent in the sprawling growth of metropolitan areas of population. It is our opinion, however, that the economic and social costs to those very people that our housing and renewal programs are allegedly designed to aid have been ignored. In addition, the role of self-help and private enterprise has been inhibited and restrained by legislation and administration favoring Government action alone. Grandiose schemes on planners' drawingboards, and large budget figures promoted by liberal spenders may appear impressive, but they do little to help the homeowner who would prefer to upgrade his neighborhood rather than be evicted from his home, or the small businessman who is forced to close his doors, both as a result of urban renewal. No problem has ever been solved merely by throwing money at it.

If there is any one word, then, that could characterize our approach to these programs it would be that we are attempting to humanize what has been a coldhearted program of more benefit to the bureaucrat and big developer than to the little man, particularly if he is a member of a minority group. We have been disappointed in the activity of the Special Housing Subcommittee in its study of urban renewal, especially its attempt to create a favorable political image rather than an honest examination of the imperfections of the program and the development of valid answers to the problems these imperfections create. The bills we plan to introduce next week will provide a means to remedy this situation immediately, and we would hope that this administration will support our efforts.

Our proposals are concentrated in areas such as relocation and rehabilitation which have long been neglected. We do not agree, for example, with the view of the Urban Renewal Administrator that business failure as a result of urban renewal project dislocation is a matter of course because these are marginal businesses. The fact is that they are marginal only in the minds of the planners. They are not marginal in the minds of those who earn a livelihood from them. We do not believe that there is any logic in programs which create unemployment at a time when we are trying to cure unemployment. Ever more illogical is the trend toward creation of slums by the effects of the very programs designed to eliminate them, and the subsequent shrug of the shoulders by officials who much prefer to redevelop commercial districts in any event.

A study for the Small Business Administration, by Brown University, of the effects of urban renewal and highway programs on businesses in Providence, R.I., indicates quite plainly that the present compensation paid to those evicted from urban renewal projects is totally inadequate. The Brown University study, completed in May of 1962, and brought up to date in May of 1963, has not been published and its findings are not general knowledge although it is the only comprehensive study of its kind. This is unfortunate. We trust that the fact that it may be published after urban renewal hearings are completed is merely an unfortunate coincidence, but we have made an effort to rescue it from oblivion.

Finally, we are disturbed that urban renewal is too often associated with Negro removal. We believe that rehabilitation and the maintenance of neighborhoods is the key to the improvement of the Housing Act program, as is suggested by the July 1963 report of the Connecticut Advisory Committee to the U.S. Civil Rights Commission.

Specifically, we suggest the following changes in present law:

1. A low-income housing program of 30,000 units designed to make use of existing privately owned housing.

Such housing would have to be decent, safe, and sanitary; so certified by the local housing authority from quarters made available voluntarily by private property owners. No building could offer more than 10 percent of its available units. Rentals would be determined by negotiation between the local housing authority and the private property owners. Payments of rent by the tenants would go to the housing authority who would pay that amount plus the local subsidy to the landlord.

The elderly and families who cannot pay economic rents still need decent, safe, and sanitary housing. The massive, stereotyped housing project of the past quarter century is not coping with the problems it set out to cure. It has merely, and expensively, concentrated them. Economic ghettos have been created which threaten to become new

slums. We need these people back in the mainstream of their community life. They need incentives. They are not helped by having their problems mirrored by the family next door.

The new approach we suggest has been advocated for some time by technicians in the housing field. It combines a maximum reliance on private ownership, management, and initiative with a sympathetic handling of a difficult social problem. The program, on a limited basis, has been successful in Toronto, Canada, with a 20-percent savings over Government-built unit costs. A comparison of the present program and our program is attached herewith.

COMPARISON OF PRESENT LOW-INCOME HOUSING PROGRAM WITH REPUBLICAN PROPOSAL

Community A receives an application from John Smith, who earns $2,950 annually. This makes him eligible for public housing locally as the local housing agency has set $3,500 as the top for low-income tenants. John Smith has a wife and three children, two boys and a girl. The LHA investigates the facts he has related and finds them to be true. Then:

Present program

If there is a vacancy in their projects that fits his needs (a 3-bedroom unit), John Smith is assigned a unit and moves into it. If no vacancy is available, he goes on the waiting list, making such use as he can of his preferential priorities, and waits until a unit is available. Then he moves. His rent he pays to the LHA.

Advantages

1. Complete control by LHA subject to occasional review by the Public Housing Authority. Manages and maintains all units. Must have the administrative facilities to do this.

2. Pays in lieu of taxes usually 1½ times what area was paying before public housing.

3. Does initially have economic impact that large scale construction brings.

4. Concentrates problem families in one area.

5. Has bond financing costs.

6. Makes the further building of total public housing plant dependent on congressional action.

7. Makes waiting for the availability of public housing units dependent on other factors than eligibility.

Republican proposal

The LHA checks its list of available private housing that suits John Smith's needs. It notifies John Smith, and the possible landlords, of the availabilities. John makes his choice subject to the willingness of the landlord. He picks the unit he likes best, and moves into it. He pays his rent to the LHA. The LHA pays his landlord the rent plus the average subsidy being paid in the locality which is determined by prior negotiation.

Advantages

1. LHA has control over determining what are decent, safe, and sanitary units. The private landlord can offer or withhold his units as he sees fit. Private landlord manages and maintains the unit. LHA does not have the administrative responsibilities and costs, nor the responsibilities of building the project in the first place which rules out the lawyer's, the architect's, and planner's fees.

2. Pays full taxes. (Probably 4 to 5 times what Project Pilot brings in.)

3. Would initially have no economic impact, but would start a large rehabilitation operation by rental property owners to bring their property up to decent, safe, and sanitary standards. Would eventually induce standard construction for rent certificate purposes.

4. Spreads and breaks up economic ghettos.

5. Eliminates bond financing costs. In the length of time it takes to pay off a public housing projects' bonds that would save the American taxpayer $192 million.

6. Makes the further building of the total public housing plant dependent on private enterprise.

7. Does away with waiting for public housing units after eligibility is established.

2. A complete revision of compensation payments to both tenants and owners of property who suffer loss or damage to their property interests as a result of urban renewal activity.

This is the first major attempt to bring together a number of basic reforms suggested in the past to compensate tenants and owners more fully for losses and damage sustained as a result of an eminent domain taking, including replacement and moving costs. For too long the cost of urban renewal has been largely borne by the people it is supposed to help. Any continuation of the program must provide these basic reforms. The urban renewal concept cannot succeed without widespread support from those it directly affects.

Included in our bill is a provision requiring each local public agency applying for Federal assistance to submit a compensation plan indicating that either through usual eminent domain compensation awards, or through awards coupled with supplemental payments, every person whose property interest would be lost or damaged will receive proper compensation. Both the private individual and business, the tenant and the landlord are covered. The individual would receive either the actual value of the interest taken or its replacement cost, whichever is greater. Payments for damages would be limited to net decrease in actual value of the property, provided the parcel is adjacent to the urban renewal project.

Under our bill replacement costs, provided the individual does replace his property interest, he would receive the entire cost of acquiring substantially the same interest he lost. He would be entitled to the purchase price of land, buildings, improvements, and equipment, all moving expenses including temporary storage, insurance and temporary quarters, profits or rentals lost as a result of an interruption in the business, the cost for the installation of fixtures and equipment, advertising and special promotions for business reopenings, attorney's fees, commissions, and any duplication of taxes, rents or interest.

One major problem in the past has been the fact that business or individuals leaving a project area before the condemnation of their property could not qualify for moving expenses. We propose to change that limitation and allow anyone moving before condemnation, but after official project approval, all moving costs. This will also avoid the problem of higher prices for rents and land caused by holding property owners and tenants until after condemnation and then releasing them all on the market at one time.

In some cases, businesses may not be able to move out until the area is almost emptied of their customers. We propose that the local public agency, if it has acquired the land on which the business is still operating, be required to lower the rent in correspondence to the decrease in sales.

3. A new rehabilitation loan program to increase the effectiveness of this aspect of urban renewal by providing financial assistance to property owners and tenants willing to improve their holdings, but financially unable to do so.

The key to urban renewal success, and its continued acceptance, is to increase the use of rehabilitation as an alternative to the bulldozer technique. The problems of relocation and compensation, in economic terms, are eliminated. The social value of maintaining the integrity of neighborhoods alone is worth the effort.

Up until now, however, financial assistance has been very limited. The program suggested by the Kennedy-Johnson administration in 1961 for home improvement loans has been unsuccessful in reaching many who need assistance, but do not have the commercial credit rating or the financial resources to pay off high interest charges. We believe we have developed at least a partial answer to this problem. It is, after all, an idle gesture to praise the rehabilitation technique and urge its use if the homeowner and small businessman is unable to take advantage of it.

Our program would provide a revolving fund, with suggested authorizations of $100 million each year for 3 years, which we would anticipate may be adjusted after full and complete hearings. Loans would be made at appropriate interest rates and would be made directly by the local public agency. Only those individuals within an urban renewal area, whose rehabilitation efforts would be in accord with the objectives of the urban renewal plan, and who could not obtain nor afford other financing would be eligible. There would be a limit of $10,000 per living unit, and $50,000 per business. The loan would run for up to 15 years or three-fourths the expected life of the improved structure, whichever would be the least.

In addition, the present home improvement loan program would be amended. At present, structures less than 10 years of age cannot receive assistance with two exceptions. We propose to add a third exception for structures in an urban renewal project area, whose rehabilitation would be in accordance with the objectives of the urban renewal plan.

We do not consider this loan program an addition to any possible new grant program, but as a substitute for part of that program. Through the loan program we hope to turn the attention of communities to rehabilitation, and over the long run, cut down considerably on annual costs through the revolving fund system.

4. A requirement in the law that relocation be carried out without regard to race, color, creed or national origin.

It is an unfortunate fact that no matter how sincere the officials of the Urban Renewal Administration may be about eliminating discrimination in connection with urban renewal relocation, the opportunities for relocation by non-whites and other minority groups are still limited. The "Report on Connecticut: Family Relocation Under Urban Renewal," prepared by the Connecticut Advisory Committee to the U.S. Commission on Civil Rights in July of 1963 recommended precisely the language we suggest in our bill. Although they recommended that it be included in the urban renewal guidelines, we believe that a provision in the law would be much more effective.

5. A requirement of physical verification by the Federal Urban Renewal Administration of the availability of decent, safe, and sanitary housing immediately prior to the start of condemnation proceedings.

There is a repeated complaint that those dislodged from an urban renewal area too often are relegated to housing that is, or will soon become, a new slum. We believe that these complaints too often reflect the fact that no physical verification is ever made of the suitability and availability of housing at the time that relocation takes place. Reliance is placed upon general estimates of future housing at the time that the plan is approved.

This view is shared by the Connecticut civil rights advisory committee which recommended a similar physical verification method in its July 1963 report. We recognize that project delays may occur if funds

are withheld until suitable housing is available, even where officials have acted in good faith. In our opinion, the delays will not be as serious as the effect of ignoring this problem of relocation, and the benefits to individuals relocating far outweigh the costs of delay.

6. A requirement that specific findings be made that no further slum clearance or rehabilitation is necessary in any locality applying for urban renewal funds for the redevelopment of nonresidential areas before funds are granted for that purpose, and a change in the assistance for nonresidential development from grants to loans.

A particularly distressing change has taken place in the emphasis of the urban renewal program on downtown commercial redevelopment, often without regard to the needs of those in search of new housing and better living conditions. We believe the priorities should be reversed, and we challenge those in control of urban renewal to explain, if they can, why they believe that high-rise, high rental apartments and office buildings are more necessary and beneficial to city residents than neighborhood rehabilitation and slum clearance projects.

At the same time, it is our opinion that predominantly nonresidential development, particularly in downtown commercial areas, shows no need of being subsidized by the American taxpayer. These projects, if justified, can pay for themselves within 10 years, and can easily afford to pay the money back for reuse. The savings would be considerable, considering the size of projected downtown redevelopment. In order that urban renewal processes not be slowed down, the proposed loans would be noninterest bearing until the land of the project was in reuse. As the land comes into reuse, the loan in proper proportion would become interest bearing.

7. A requirement that adequate relocation assistance be provided from the time a project is approved, rather than from the time that condemnation begins.

The U.S. Civil Rights Commission, in 1959, called relocation the most important test of urban renewal, particularly with respect to nonwhite families. Studies since that time indicate that so little money is spent on relocation aid that most individuals displaced must find new homes or business sites by themselves. In both the case of the individual and the businessman, this is done under pressure, without guidance and with limited knowledge. It is not surprising, therefore, that many are not aware of assistance programs available, including moving expenses and Small Business Administration loans. The result is to contribute to the creation and preservation of slums, making urban renewal projects themselves a very limited success.

According to the Brown University study, only 5 percent of those relocated found a new business location through the relocation agency. A substantial minority of those businesses displaced were unknown to the relocation authorities, indicating that they had moved out before those authorities had begun their work.

The same has been shown in the case of individuals. In Connecticut, the advisory committee on civil rights was unable to get lists of families about to be relocated from the relocation agencies, since the families had disappeared before the agencies went into action at time of condemnation. The New Jersey Advisory Committee on Civil Rights took a survey of individuals relocated from one project in Trenton and could not find anyone who had been aided by the relocation authority in finding a new home. We believe that earlier action by the local authorities is a must, and that no project should be started unless the appropriate relocation assistance is available.

8. A requirement that the workable program proposed by the locality include pledges of specific action within specific periods of time, and that a physical check be made yearly by the Urban Renewal Administration on the fulfillment of these pledges, with a suspension of aid to projects if necessary.

The weakest link in the workable program has always been code enforcement and I have been emphasizing this for years. Urban Renewal Administration reviews of the program on an annual basis are general in nature and usually on paper. If blight is to be eliminated from our urban areas, code enforcement must continue unabated, even where projects are underway. It is the least expensive way of renewal, yet one of the most rewarding in terms of benefits to the city dweller. The recent rent strikes in New York City and Cleveland illustrate the seriousness of the problem.

9. A revision of workable program requirements to include a plan to meet the zoning needs of displaced businesses, and to require a showing of sufficient opportunity to transfer their location because of zoning restrictions. Thirty percent of the nonsurvivors in the Brown University study indicated that this was their major problem. Many of those who did relocate did so in the suburbs because of more zoning freedom, which obviously results in a loss of sales, payroll, and property taxes, and jobs to the city. There is a need to set up areas to which dislocated businesses can move.

At the same time, there is no requirement in present law or regulations to provide for business relocation, although there is a requirement relating to housing. What is even more shocking is the finding by the Brown University study that 48 percent of the businesses relocating did so to areas that were in the same or worse condition than the one they had just left. A continuation of this trend would be particularly tragic since it contributes to blight and to the costs of removing that blight in the future. If it is found that relocation areas are not suitable or available, this will be a direct incentive for rehabilitation, and away from the bulldozer. This is a goal that urban renewal officials say they favor but do little to achieve.

10. In addition, a number of other changes in the Housing Act are contemplated. These include an effort to return control of, and direct responsibility for, local projects to elected city officials more responsive to the citizenry than independent agencies, and the encouragement of self-liquidating projects by giving priority to cities having the ability to pledge increased tax revenues from urban renewal projects as security for project financing. The Small Business Administration is directed to work on the scene with relocation agencies to provide information and assistance to displaced businesses. Following a General Accounting Office recommendation, we have suggested a limitation on the use of Federal taxpayers' money for paying the expenses of officials going to conferences promoting, and lobbying for, urban renewal and public housing.

We believe that these reforms and loan programs are the minimum necessary before any additional funding of the urban renewal program takes place. It is useless to continue to sink funds into a program which creates as many problems as it solves. These reforms are long overdue, despite our many warnings and cautions in the past. The loan program approach is a logical extension of the President's announced desire to economize without impairing the effectiveness of needed programs.

It should be stressed that this is not a reaction to any administration program, since none has been offered in specific form as yet. Rather, it is an attempt to make use of information gathered from hearings, studies and experimental programs, and to build a responsible program for the United States that can be supported by all Americans.

We intend to give serious consideration to any positive suggestions made by the administration, and hope that our proposals will receive equal consideration by the Democratic majority.

MEDICARE FOR $1 A MONTH?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] 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 Vermont?

There was no objection.

Mr. BARRY. Mr. Speaker, in his state of the Union message, President Johnson said:

> We must provide hospital insurance for our older citizens, financed by every worker and his employer under social security contributing no more than $1 a month during the employee's working career to protect him in his old age in a dignified manner, without cost to the Treasury, against the devastating burden of prolonged or repeated illness.

After some statistical exercise, it is difficult to determine how the President could conclude that his proposed hospital care program would cost "no more than $1 a month."

Presumably, the $1 per month comes from applying the S. 880 tax rate of 0.25 percent on employees to the proposed increased taxable wage base of $5,200. When this is done, one obtains $13 per employee or approximately $1 per month—$1.08. This is not an honest approach for a number of reasons. The cost of S. 880, according to the chief actuary for the Social Security Administration, is 0.68 percent and not 0.25 percent—actuarial cost estimates for hospital insurance bill, actuarial study No. 57, HEW, July 1963. Application of 0.68 percent to $5,200 produces a cost of $35.36 per year or $1.47 per employee plus $1.47 per employer for each employee per month. This is about 50 percent more than "no more than $1 a month."

CHIEF ACTUARY TESTIFIES

However, in questioning the chief actuary during the hearings before the Ways and Means Committee on November 18, 1963, Chairman MILLS elicited a statement that the more proper tax, based on HEW cost assumptions, would be about 1 percent rather one-half of 1 percent. If the 1 percent were used as a basis of cost, then the cost per employee per month would come to $2.10, with a similar cost per month per employer for each of his employees earning $5,200.

Based on the insurance business assumptions as to the cost of S. 880, presented in their testimony on November 22, 1963, the level premium tax would be 1.71 percent of a $5,200 payroll or $88.92 per year. This would result in a cost of $3.71 per employee per month with a similar cost for the employer for each employee earning $5,200.

ACTUAL COST 1 PERCENT

Another method of approach to the monthly cost of the administration's

hospital care program is to examine the total OASDI payroll tax increase which would result from its adoption. Social security taxes now amount to 7.25 percent of the first $4,800 of wages or a maximum of $348, half of which, $174, is paid by the employee. Under present statutory authority, these taxes will increase by 1968 to 9.25 percent on the first $4,800 of wages merely to finance existing social security benefits. This amounts to $222 to be paid each by the employer and the employee. As indicated above during the Ways and Means Committee hearings, Chairman MILLS elicited from the Government's actuary that the more proper tax for the hospital care program would be about 1 percent rather than one-half of 1 percent which would require by 1968 a total tax closer to 10.25 percent on the first $5,200 of wages, or a maximum of $533, $266.50 of which would be paid by the employee. Thus on the basis of the tax of 10.25 percent of $5,200 the cost, to the employee earning $5,200, for the administration's hospital care proposal would be $44.50 per year or $3.70 per month. The employer would be paying a like amount, resulting in a total of $7.40 per month increase.

It is true that a portion of this goes to increasing OASDI benefits in future years; but, without the administration's proposal for hospital care, the increased wage base which causes the benefit increase would not be necessary.

FREEDOM OF CHOICE

A general comment or two concerning the approximate $7.50 per month—which an employee and his employer would have to pay—if it were used in another fashion. It should be remembered that the contributions of employer and employee purchase nothing for the employee during the 40-odd years of his working lifetime. Assume a young person employed at age 25 at a salary of $5,200 under the proposed program, he would have to pay with his employer approximately $89 per year for 40 years; and, at the time of his retirement at age 65, he and his employer would have contributed $3,560.

Instead of making these compulsory tax payments, had he invested this amount each month at a mutual savings bank at 4 percent compounded quarterly, by age 65 he would have had $9,000 to use for medical expenditures as he saw fit. He would have freedom to choose how he spends his money.

Alternatively, this young man could have purchased a guaranteed, renewable health insurance policy which would have cost him approximately $90 per year and would have paid him benefits should he have needed them at any time during the 40-odd years of his employment.

RESIDUAL OIL: THE EDUCATION OF SECRETARY UDALL

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] 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 Vermont?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, Secretary Udall's refusal to cut residual oil import restrictions is gaining wider notoriety. The Boston Herald this morning published an editorial questioning the Secretary's understanding of this problem vital to New England.

Despite a shortage of residual oil, a petroleum byproduct essential to the Northeast, the Secretary should come down out of the mountains long enough to give the attention necessary for an understanding of this restrictive policy costly to New England's economy. The domestic petroleum industry would be virtually unaffected by an increase in residual oil quotas. Yet the Secretary of the Interior takes no action. In yesterday's CONGRESSIONAL RECORD, January 27, pages 1165–1166, I submitted for the RECORD the correspondence that I have had with Mr. Udall on this subject.

I would like to bring to your attention the Boston Herald editorial, "The Education of Secretary Udall," January 28, 1964. It is regrettable that New England has to foot the bill for educating Mr. Udall. The $30 million per annum his actions add to our heat and power bill in New England is a pretty fancy tuition payment even for the New Frontier:

THE EDUCATION OF SECRETARY UDALL

The responsibilities of a Secretary of the Interior are manifold and complex. To master all the details calls for more than any one man's capabilities.

But Secretary Udall needs to know more about residual oil so that he will not again sign such a letter as he addressed on January 20 to the managing director of the Oil Users Association.

The letter was in reply to a request from the association urging the lifting of import restrictions on residual oil as recommended by the Office of Emergency Planning. This oil is the cheap heavy fuel essential to the economy of New England and New York.

Mr. Udall made these errors in his letters:

1. He put residual oil in the same category as other crude oil derivatives as needing import limitation to protect the domestic oil industry. Actually residual oil is in a class by itself because it is not competitive with domestic production. It is a low-value byproduct fast diminishing in output in this country, and all of it can be readily sold to consumers too far from water transportation to use the imported product.

Indeed, if Mr. Udall will look over his own files, he will find a report by his Department to the Office of Emergency Planning which demolished any argument that residual oil quotas are necessary. This report states that freeing residual oil imports would have so slight an effect on the domestic industry as to be indistinguishable from ordinary variations in the market, and in the long run would actually increase the revenues of domestic producers.

2. Mr. Udall contended in his January 20 letter that the Office of Emergency Planning did not consider the broad question of controls on crude petroleum and its products. Actually the OEP took into consideration the small and declining domestic output of residual, noted the Interior Department's prediction that decontrol would merely speed up the shift into production of more valuable derivatives and dismissed this problem.

3. Mr. Udall argued that decontrolling residual would lead to "dismemberment" of the whole petroleum program. This doesn't make sense in the light of the omission of residual from the original petroleum control program. The real reason for the later inclusion of residual was to appease the soft coal industry, not to protect the oil industry.

Mr. Udall's letter is absurdly silent on the coal industry's successful demands for suppression of a competing fuel. Could he, or whoever composed the letter for him, be unaware of the real reason for the residual curb?

Mr. Udall has been entrusted by the President with complete administrative control over the Nation's oil policies. If this letter reflects his grasp of the residual problem, his administration will not do very well. If this letter is some subordinate's way of ducking a straight answer for the present, let him be warned that New England and New York can fight for justice as hard as the coal lobby can fight for an unjustifiable burden on the economy of New England and New York.

CAN AMERICA SPEND ITSELF TO PROSPERITY OR BANKRUPTCY?

Mr. STAFFORD. 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 Vermont?

There was no objection.

Mr. ALGER. Mr. Speaker, in making my remarks yesterday concerning President Johnson's housing and community development message part of my rebuttal was inadvertently omitted from my remarks.

I hope I shall never be guilty of criticizing without offering a constructive and positive alternative.

The part of my remarks deleted from yesterday's RECORD contained a constructive solution to housing and community development.

Because of the far-reaching effect of President Johnson's proposal as outlined to the Congress yesterday, I would like to include in full my remarks, adding the conclusion which was omitted.

Mr. Speaker, President Johnson's housing and community development message is unbelievable. It is socialism, not capitalism. It is Government evaluation of problems followed by Federal prescription of aid, planning, regimentation, and control. Nowhere is there recognition or understanding of the spirit and deed of American individual initiative, local and community effort, State pride and States rights.

Specifically, first local city and community planning commission activities, working with private developers, builders, and investors are replaced by Federal open space land acquisition for later Government approved development. The President disapproves the so-called urban sprawl. Is not local development necessarily right since it pleases the local plan commission and private entrepreneurs and investors, all tailored to please the ultimate boss of development, the customer, the homebuyer, the tenant? Where does Federal Government suddenly acquire Solomon-like wisdom,

or our President, or Housing and Home Finance head Bob Weaver?

Second. Public housing is to now be procured by Federal purchase by Mr. Robert Weaver of homes and apartments in each block and locality of the residential areas of our cities. The residential areas of every city will then become Government dominated. Is this the land of the free? The social rearrangement of our lives is actually what Mr. Weaver and President Johnson seem to want. Freedom of association, of choosing your neighbors is out the window. Perhaps public housing officials will promise to have Government-employed yardmen, painters, and plumbers keep up each public housing house equal to the neighbor's efforts in maintaining their homes. Public housing tenants are wards of the Government and need not, do not keep up their properties and yards. As President Johnson puts it, the Housing and Home Finance Agency can both buy existing properties to lease them to public housing tenants at marked down rates or can act as simply a leasing agent go-between owner and tenant.

Third. Mass transportation must now be the Federal province, regardless of local or private action. This is now a part of the housing bill. If that is not enough, the Federal Government is asked by our President to set up training of those in local communities on how to run local communities. How did our Nation get where it is without such Federal aid? Can people be trusted to run their affairs locally? Apparently not. I contradict this outlook.

Nor do we need a new Federal Department of Housing and Community Development as the President requests. Nor do we need to extend urban renewal. The scandalous abuse of the law to date as seen in congressional investigation and GAO reports is proof enough that we must stop and evaluate, not plunge on into more chaos and corruption by Federal urban renewal laws.

By any test of Americanism that I know, moral or constitutional as viewed through our forefathers' eyes and our own sad Federal Government manipulations this message does not measure up. It certainly far exceeds my congressional oath to uphold and defend the Constitution or my first yardstick, Is it a function of the Federal Government? Second, when cost is considered, there is a bewildering duplicity of intent. The cost will be astronomic and escalating in nature. The open space purchase, new department and functions, the new loans, grants, research, training—there is almost no limit. How can we reconcile these extravagances with the loudly oft repeated claims of fiscal prudence, reduced debt, and reduced spending? We can see, as Senator BYRD observed, that spending will soar in 1964 as over 1963 and even more in later years.

I lament the continued use of the New Deal formula by President Johnson. First, our people have various needs; second, the Nation has the resources to meet the needs; third, therefore, it is Federal Government's duty to spend the resources to meet the need.

This is socialism. This is our brand of the welfare state of Federal bureaucratic dictation, control, and spending.

The old formula of "tax, tax, spend, spend, elect, elect," is being revamped for another go-around the L.B.J. way. I think it is wrong and therefore must so state.

The constructive solution to housing and community development is so obvious it is overlooked or purposely downgraded by self-seeking politicians.

Local problems can, have, and will be solved locally—by local government, by local people, including the business people and their customers, all conforming to local initiative, local ordinances, and local talents. That is the American way.

SPECIAL COMMEMORATION POSTAGE STAMP

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. SKUBITZ] 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 Vermont?

There was no objection.

Mr. SKUBITZ. Mr. Speaker, today I introduced a bill to provide for the issuance of a special postage stamp honoring Maj. Gen. Frederick Funston. General Funston was the son of Edward Hogue and Ann Eliza—Mitchell—Funston, who moved about 1867 from New Carlisle, Ohio, where Frederick was born, to Iola, Kans., where he was brought up on a farm. General Funston's father served through the Civil War with Ohio troops, and as "Fog Horn" Funston, had a long political career in the Kansas Legislature and in Congress, where he was Representative of the Second Kansas District from 1884 until he was unseated in 1894.

After the war with Spain ended in August 1898, and the Philippine Islands were occupied by American troops, the Filipinos continued to fight for their independence. The then Colonel Funston distinguished himself in several engagements, won promotion to brigadier general of volunteers and added to his laurels the Congressional Medal of Honor. When it became recognized that the guiding spirit of the insurrection was Emilio Aguinaldo, Funston managed to discover the location of his headquarters and planned and executed the capture of the insurrectionist, which is so aptly described by the Iola Daily Register of March 28, 1901. For this daring coup, Funston was commissioned a brigadier general in the Regular Army and became a national hero.

He was 51 and a major general when he died of a heart attack in February, 1917.

William Allen White, editor and publisher of the famed Emporia Gazette and Funston's friend since their student days at the University of Kansas, wrote that "Only a breath of wind, the flutter of a heart, kept Funston out of Pershing's place in the World War."

PRESIDENTIAL CANDIDACY OF SENATOR MARGARET CHASE SMITH

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the gentleman from Maine [Mr. MCINTIRE] 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 Vermont?

There was no objection.

Mr. MCINTIRE. Mr. Speaker, Maine is indeed justly proud of its lady Senator, MARGARET CHASE SMITH, in her announcement to enter the New Hampshire and other primaries as a presidential candidate.

This announcement certainly is of historical significance, and I feel highly privileged and proud to introduce it to the RECORD.

No statement of mine is needed to elaborate on her great ability and her equally great record as a Member of the House of Representatives and the U.S. Senate.

Her announcement has thrilled the State of Maine and she will find support the length and breadth of our great land:

REMARKS OF SENATOR MARGARET CHASE SMITH, WOMEN'S NATIONAL PRESS CLUB, WASHINGTON, D.C., JANUARY 27, 1964

I always enjoy being with the members of the National Women's Press Club—even when you give Members of Congress an unmerciful going over. I think that I enjoy being with you not only because of the many good friends that I have among you but also because I was a newspaperwoman myself before becoming a Member of the House and Senate.

Many years ago I worked for the weekly newspaper in my home town—the Independent Reporter—in a succession of a variety of jobs ranging from general reporter to circulation manager and some of them concurrently performed as can be done only on a weekly paper. My only claim to fame in that effort was that in its class, while I was circulation manager, the Independent Reporter reached the seventh highest ABC rating of all weekly newspapers in the entire Nation.

But it was when I did five columns a week nationally for United Feature Syndicate for more than 5 years that I felt a greater professional kinship with you. I learned what a chore it was to produce 700 words almost daily.

It has been my privilege to address your club more than once. The first time was when I had been a U.S. Senator for only 6 days. Five days before I had surprised, if not shocked, some members of the press when I voted for Robert A. Taft for chairman of the Senate Republican Policy Committee rather than for Henry Cabot Lodge. Some even denounced me as a traitor to the cause of Republican liberalism.

And it was only a year and half later that others in the press were calling me a traitor to the cause of conservatism because of my declaration of conscience made on June 1, 1950. Some even called me pro-Communist on the basis of the declaration of conscience.

I have often thought of those instances in which I have been the target of the extremists on both the left and right. I remember how in the 1948 campaign when I first ran for the Senate an anonymous sheet was put out in the primary charging that I voted the "Marcantonio line." It failed. But the same technique was used successfully 2 years later against Helen Gahagan Douglas.

I remember how in the 1954 campaign I was accused in the primary of being soft on

communism and a dangerous liberal, and then in the general election of being called a reactionary and an all-out effort made by the CIO to defeat me just as COPE did in 1960.

Yes, I have often thought of that January 8, 1949, speech that I made to this club in which I described myself as a moderate, pointing out that I had previously given myself that label when asked a question on the "Meet the Press" program on December 10, 1948.

I have thought frequently of these things in recent months when reading the editorials and articles expressing the opinion that our Nation is more rampant with bigotry and hatred than it has ever been. Many conclude that such was the cause of the assassination of President Kennedy, some even erroneously charging the assassination t. racial hatred and bigotry.

In my opinion, any hatred or any bigotry, even the slightest hatred or bigotry, is too much for our Nation and is to be deplored. But I cannot agree with those who contend that now there is greater hatred and bigotry than ever existed before in our country. Instead I believe that our country is far freer of bigotry and hatred than it was 10 years ago, or at the time of my declaration of conscience, when I specifically denounced fear, ignorance, bigotry, and smear.

Let us examine a few of the contentions that bigotry and hatred are greater now than ever before. First, let us take the first claims and the first news reports on the assassination of President Kennedy. The first headlines were to the effect that President Kennedy had been shot by a southern extreme racist, by a racial bigot. This was immediately seized upon and exploited by the Russian Communist press for propaganda purposes.

Then after the initial smoke, and when heads begin to clear and emotions cool, the truth came out—and it was not a southern anti-Negro extremist that shot President Kennedy but, instead, it was a Marxist, a mentally deranged Communist. Further, it was by accident of geography that this mentally deranged Communist was in Dallas, Tex.—when it might have happened in Russia, where he lived for some time, or in other sections of the United States where he had lived.

No, the assassination of President Kennedy was clearly not what was first represented—the result of Southern anti-Negro extremism—but, rather, the act of a mentally deranged Communist.

Next, let us take the case of the John Birch Society and the extreme statements that it has issued against American leaders like former President Dwight D. Eisenhower. You might get the impression that never before was there an organization like the John Birch Society making such attacks.

Well, let me explode that myth by pointing out that in the early fifties there was an organization calling itself the Partisan Republicans of California that put out a smear publication charging that I was a leader of a—and I quote—"New Deal-Communist plot" to get Dwight D. Eisenhower the Republican nomination for President and to get him elected President.

To those who contend that hatred and bigotry is now greater than it ever was, I would urge a review of the conditions of the early fifties. I would recall to their memories those days of guilt by association, of character assassination, of trial by accusation. I would recall to their memories those days when freedom of speech was so abused by some that it was not exercised by others—when there were too many mental mutes afraid to speak their minds lest they be politically smeared as "Communist" or "Fascists" by their opponents.

I would recall their memories to a U.S. Senate that was almost paralyzed by fear—when some said that when I made the declaration of conscience that I had signed my political death warrant—and when that elder statesman who called one of your members and said that the declaration of conscience would have made MARGARET CHASE SMITH the next President if she were a man—when such elder statesman was so clearly in the minority in his political evaluation of my speech.

Perhaps I know and feel this more strongly than some of those who evaluate and editorialize that bigotry and hatred are at their greatest heights now—because I felt the whiplash of the hatred and the bigotry from both the extremists of the right and the extremists of the left—when I fought such extremism both on the floor of the Senate and in the Federal court—and thank God for common decency, where I won not only in the Senate and in the court—but with the people at the polls.

No, there is less bigotry and hate now than there was 10 or 15 years ago—and we have very impressive proof of this. The late John F. Kennedy helped prove this. After his victory in the 1960 election, who can confidently claim that there has been more bigotry and hatred in the sixties than there was in the fifties? Who can seriously contend that there was more bigotry in 1960 than in 1928?

And who can deny that the rights of Negroes are greater in 1964 than they were in 1954? Who can deny that there has been progress on civil rights in the past decade? Perhaps not as much as there should have been. But who can truthfully say that we have gone backwards and become more bigoted in 1964 on civil rights than we were in 1954?

No, I am proud of the progress that our Nation and our people have made in the past decade in significantly, encouragingly—and yes, inspiringly—reducing hatred and bigotry in our Nation and among our people. There is much room for improvement. But there is no need to hang our heads in shame—there is no need for us to wallow in a deep and heavy national guilt complex.

For where in the world is there a nation as free of bigotry and hate as the United States? Where in the world is there a nation that has provided "equality in freedom" in the degree that the United States has for its people? Where in the world is there a nation that has done so much to export this concept of "freedom in equality" as has the United States in the billions of dollars that it has poured into efforts to give "equality in freedom" to the other peoples of the world? What other nation has poured out its resources and its heart to practically every other nation in the world in the past 25 years besides the United States—even to Russia with the multi-billion-dollar aid in World War II?

Is such the record of a nation of hatred and bigotry? Is such the record of a nation torn between radicals and reactionaries—between the far right extremists and the far left extremists?

I think the answers are clear. I think it is abundantly clear that the United States and its people are not hopelessly entwined in bigotry and hatred. To the contrary, I think the record shows that the American people are winning the battle against bigotry and hate—not losing it. I think the record shows that we have made significant progress in the last 15 years.

I think it is abundantly clear that we are not a nation of extremists. To the contrary, the extremists of both the left and the right are very, very small minorities in size and only seem larger than they really are because they make a greater noise than the quieter nonextremists.

No, the vast majority of Americans are not extremists. They have no use for extremists of either the far left or the far right. If there be any doubter of the relative freedom of Americans from bigotry and hatred as compared to the other peoples of the world, then let him take a good long look at the Statue of Liberty and particularly those words inscribed at its base of: "Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse from your teeming shore. Send these homeless, tempest tossed to me."

For more than a year now I have been receiving a steady flow of mail urging me to run for President of the United States. At first my reaction was that of being pleasantly flattered with such expression of confidence in me. I was pleased but did not take the suggestion seriously for speculation prior to the past year has been limited to vice-presidential possibilities.

And so I answered the letters by saying that I was pleased and flattered but that I was realistic enough not to take the suggestion seriously. I was sure that the trend would be short lived and would end. But instead of fading away the mail increased and by mid-November of last year reached a new peak.

At that time one of the most persistent writers pressed hard for more than my reply of "I am pleased and flattered but know it could not possibly happen," and in response to his pressing I replied that I would give the suggestion serious consideration and make a decision within a relatively short time. My answer was picked up by the local press and some 2 weeks later the Associated Press queried my office quoting from the letter and asking if the quote was correct. My office confirmed the quote as being correct and then the mail began to pour in.

The mail came from all of the 50 States and to my surprise I found that the writers were taking a possible MARGARET CHASE SMITH presidential candidacy more seriously than I had been. Now I try to be serious without taking myself too seriously—but this mail was not what I had seriously expected. Frankly, it had its effect.

With the tragic assassination of President Kennedy came the political moratorium and the cancellation of the original date of this address. Again I anticipated that during the interim period this mail would fall off. And it did for a few days but then it started up again and now has returned to a level above that prior to the moratorium period.

In fairness to everyone, I concluded that I should make my decision before the end of January—and I have done so. It has not been an easy decision—either "yes" or "no" would be difficult. The arguments made to me that I should become a candidate have been gratifying.

First, it has been contended that I should run because I have more national office experience than any of the other announced candidates—or the unannounced candidates—with that experience going back to 1940 and predating any of the others.

Second, it has been contended that regardless of what happened to me, should I become a candidate, was not really important—but that what was really important was that through me for the first time the women of the United States had an opportunity to break the barrier against women being seriously considered for the Presidency of the United States—to destroy any political bigotry against women on this score just as the late John F. Kennedy had broken the political barrier on religion and destroyed once and for all such political bigotry.

This argument contends that I would be pioneering the way for a woman in the future; to make her more acceptable; to make the way easier for her to be elected President of the United States. Perhaps the point that has impressed me the most on this argument is that women before me pioneered and smoothed the way for me to be the first woman to be elected to both the House and the Senate—and that I should

give back in return that which had been given to me.

Third, it has been contended that I should run in order to give the voters a wider range of choice—and specifically a choice other than that of conservative or liberal—to give those who considered themselves to be moderates or middle-of-the-road advocates a chance to cast an unqualified vote instead of having to vote conservative or liberal. In this contention, it has been argued that this would give the voters a greater opportunity to express their will instead of being so restricted in their choice that many of them would not vote.

Fourth, it has been contended that I should run because I do not have unlimited financial resources or a tremendous political machine or backing from the party bosses—but instead have political independence for not having such resources.

There are other reasons that have been advanced but I will not take your time to discuss them. Instead let me turn to the reasons advanced as to why I should not run.

First, there are those who make the contention that no woman should ever dare to aspire to the White House—that this is a man's world and that it should be kept that way—and that a woman on the national ticket of a political party would be more of a handicap than a strength.

Second, it is contended that the odds are too heavily against me for even the most remote chance of victory—and that I should not run in the face of what most observers see as certain and crushing defeat.

Third, it is contended that as a woman I would not have the physical stamina and strength to run—and that I should not take that much out of me even for what might conceivably be a good cause, even if a losing cause.

Fourth, it is contended that I should not run because obviously I do not have the financial resources to wage the campaign that others have.

Fifth, it is contended that I should not run because I do not have the professional political organization that others have.

Sixth, it is contended that I should not run because to do so would result in necessary absence from Washington while the Senate had rollcall votes—and thus that I would bring to an end my consecutive rollcall record which is now at 1,590.

You know of other reasons advanced as to why I should not run—and so I will not take your time to discuss them.

As gratifying as are the reasons advanced urging me to run, I find the reasons advanced against my running to be far more impelling. For were I to run, it would be under severe limitations with respect to lack of money, lack of organization, and lack of time because of the requirements to be on the job in Washington doing my elected duty instead of abandoning those duties to campaign—plus the very heavy odds against me.

So because of these very impelling reasons against my running, I have decided that I shall—enter the New Hampshire presidential preferential primary—and the Illinois primary. For I accept the reasons advanced against my running as challenges—challenges which I met before in 1948 when I first ran for U.S. Senator from Maine, when I did not have the money that my opposition did; when I did not have the professional party organization that my opposition did; when it was said that "the Senate is no place for a woman"; when my physical strength was sapped during the campaign with a broken arm; when my conservative opponent and my liberal opponent in Maine were not restricted in campaigning by official duties in Washington such as I had; and when practically no one gave me a chance to win.

My candidacy in the New Hampshire primary will be a test in several ways.

1. It will be a test of how much support will be given to a candidate without campaign funds and whose expense will be limited to personal and travel expense paid by the candidate.

2. It will be a test of how much support will be given a candidate without a professional party organization of paid campaign workers but instead composed of nonpaid amateur volunteers.

3. It will be a test of how much support will be given a candidate who refuses to absent herself from the official duties to which she has been elected and whose campaign time in New Hampshire will be limited to those times when the Senate is not in session voting on legislation.

4. It will be a test of how much support will be given to a candidate who will not purchase political time on television or radio or political advertisements in publications.

5. It will be a test of how much support will be given a candidate who will campaign on a record rather than on promises.

I welcome the challenges and I look forward to the test.

"THE HOUSE RULES COMMITTEE," BOOK BY JAMES A. ROBINSON

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 would like to call to the attention of my colleagues in the House a new book, scheduled for publication today, January 28, entitled, "The House Rules Committee." Written by James A. Robinson, a professor of political science at Northwestern University, this provocative new study explores the many-sided functions and powers of the House Rules Committee and offers several proposals, which in the author's opinion, would reform and modernize the rules system.

James Robinson, who will become a full professor next fall at the age of 32, is, in spite of his youth, a well-qualified commentator on the congressional scene. His long-standing interest in Congress dates back to his student days at George Washington University here in Washington. This interest in the legislative process was mirrored in both his master's and doctoral dissertations: The first, written as a student at the University of Oklahoma, dealth with the activities of the Oklahoma Legislature; the latter—an augury of his present work—was devoted to an analysis of the House Rules Committee.

As a congressional fellow of the American Political Science Association in 1957–58, Mr. Robinson worked in congressional offices in the House and the Senate. His first publication, also dealing with Congress, was "Congress and Foreign Policy Making."

"The House Rules Committee" is based in part upon a thorough study of committee documents reported over a period of 25 years. It is likely to be, in Mr. Robinson's opinion, "controversial." I am sure that the refreshing perspective of an informed scholar's view of this powerful committee of the House of Representatives will be enlightening as well.

"The House Rules Committee" is published by the Bobbs-Merrill Co. of Indianapolis, Ind., as the first in a series of advanced studies in political science.

FRENCH RECOGNITION OF RED CHINA DEPLORED

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FUQUA] 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. FUQUA. Mr. Speaker, the action of the French Government in extending recognition to the Communist Chinese Government is regrettable and unfortunate. To my mind, this step on the part of the French serves to reward the Chinese Communists for the aggression and bloodshed they continue to perpetuate with their militant attitude toward world conquest.

The Red Chinese make no secret of their belief that world communism can only be advanced through bloodshed and war. They have broken down a wall in gaining recognition from the French which will aid in their advancement toward world domination.

The action came in spite of the fact that troops are stationed in Korea to guard against the continued threat of renewed war and, while brave men are dying in South Vietnam to preserve freedom and democracy, and the Red Chinese continue to support this subversion and bloodshed.

The French, by this action, have given renewed prestige to this Communist government and will increase their ability to stir up trouble through subversion throughout the world.

Africa is especially vulnerable because of its highly unstable political atmosphere.

This action of President de Gaulle and the French Government was a shortsighted one and is a slap in the face at the United States, the Nation which was primarily responsible for returning freedom to France from Nazi dictatorship less than two decades ago.

PRIVATE VISIT OF QUEEN FREDERIKA AND PRINCESS IRENE OF GREECE

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, the American people received two distinguished visitors to our country this week. I refer to Her Majesty, Queen Frederika of Greece, and to her daughter, Princess Irene.

Queen Frederika and Princess Irene are in the United States for a 17-day private visit but a number of officials of our Government and friends of Greece joined in welcoming them at the White House yesterday when President and Mrs. Johnson gave a luncheon in their honor.

I remember with great pleasure the opportunity I had in 1961 to meet King Paul and Queen Frederika in Greece with my mother and father and it was therefore a particular pleasure for me to be able to join in welcoming Queen Frederika and her daughter to the United States.

Mr. Speaker, under unanimous consent, I include at this point in the RECORD the exchange of toasts between President Johnson and Queen Frederika at the White House luncheon on January 27, 1964:

EXCHANGE OF TOASTS BETWEEN PRESIDENT LYNDON B. JOHNSON AND HER MAJESTY THE QUEEN OF THE HELLENES FREDERIKA AT A LUNCHEON, STATE DINING ROOM

President JOHNSON. Your Majesty, Your Royal Highness, Mr. Chief Justice, Senator Russell, Senator Fulbright, ladies and gentlemen, what we are and how we feel today is linked to what happened in a little Greek city 2,400 years ago. What was born then in art and ideas and politics has never been surpassed and has seldom been equaled. Everything in the realm of creative thought bears its stamp and its mark. The Western World is the child of Greece and we are its inheritors.

The Greek people are proud people with more reason to be than any other nation on earth. They understand freedom, because their ancestors invented it. They appreciate liberty, because their soil has been watered with the centuries-old blood of those who died for it.

When Mrs. Johnson and I visited Greece last year, we saw this modern Greece and we liked what we saw. There in that ancient land was the mingling of the old and the hopeful, the new and the great. Here in the United States thousands upon thousands of Greeks, who are now Americans, have made this land of ours stronger and wiser. Part of Greek culture is now part of the American tradition and America is better for it.

And it is quite appropriate that the courageous King and his beautiful Queen are today's living symbols of the questioning Greek conscience; the unquestionable Greek spirit. Yes, the Greeks have a word for it and the word is Frederika, as lovely today as she was that happy afternoon that Mrs. Johnson and I first met her.

So, on this delightful occasion in the presence of so many of her friends and our friends and upon the occasion of Her Majesty's visit with us, and Princess Irene, I should like to ask all of you to rise and toast His Majesty the King of Greece.

Queen FREDERIKA. Mr. President, Mrs. Johnson, thank you very much for having given me your hospitality. I shall never forget this day. My stay here in your country has been wonderful from the beginning. I have been deeply touched by the American people and today is the crowning of it all. You have come to our country with your beautiful wife a few months ago and the Greek people have learned to love you.

I think the two of you have brought a new approach to our human problems by being human beings yourselves. You smile, you are kind, you have a good word for everyone. I firmly believe that the leadership of the United States is just that—to bring humanity to a troubled world.

Mr. President, you told me that today amongst us is a former citizen of Greece who, when you were a litle boy, had told you that one day you would be President. Mr. President, I did not know that the Oracle of Delphi also had left my country and come to yours. But, Mr. President, if America's gain should be the loss of Greece, then Greece will be proud that America has now got the Oracle.

Mr. President and Mrs. Johnson, I would like to tell you that we in Greece are very conscious of what your country has done for us. I know that very often you don't always from us smaller nations have the right word of thank you. I know that often you are misunderstood. I know that very often some of us are presumptuous to ask for more. But, Mr. President, I would like to tell you that in my country we appreciate what the United States has done for us and we will always say thank you.

And, Mr. President, will you allow me to toast the President and Mrs. Johnson.

FRANK VAN DER LINDEN

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. WAGGONNER] 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. WAGGONNER. Mr. Speaker, there is no columnist or working newsman on Capitol Hill for whom I have greater admiration than Frank van der Linden. He is a newsman who does his homework. I have never known him to take sides on an issue without having grounded himself on a bedrock of facts and this, I regretfully say, is not true of every newsman who works the Hill.

Just the other day, Mr. van der Linden's column, "The National Scene," contained the 12 points of the Communist Party's "civil rights" plank of 34 years ago. These 12 points are almost word for word the contents of the current bill being railroaded through the Congress.

Proponents of this bill are having an increasingly difficult time ignoring the fact that the leadership of the so-called "civil rights movement" is predominantly Communists, Communist sympathizers, and members of Communist-front organizations. It took 30 pages of small type for the CONGRESSIONAL RECORD to print, on July 29 of last year, the various Communist-front citations of the NAACP leaders, for example.

The list included Roy Wilkins, Arthur Spingarn, A. Phillip Randolph, Robert C. Weaver, and Thurgood Marshall, for instance, all of whom are or have been directors, members, and associates of organizations which have a number of citations from the Attorney General's office as subversive.

I am sure the proponents of this bill would also like to ignore the fact that the leader of the theatrical production known as the Freedom March on Washington was a former member of the Communist League and a convicted sex pervert, Bayard Rustin.

I am equally sure that the proponents of this bill would like to deny that the southern leader of the race mixers, a so-called reverend, Fred Lee Shuttlesworth, is the head of another Communist-front organization and is a convicted bootlegger.

All these facts must be unpleasant for the proponents of this measure to swallow, but ignoring the facts, keeping them from the public and pretending they do not exist, will not make them go away or erase them from the record.

Herewith, then, is Mr. van der Linden's reprint of the Communist Party platform on civil rights. Anyone who wants to stand on this platform is welcome. As for me, no thanks.

The column referred to follows:

CIVIL RIGHTS PLANK

(By Frank van der Linden)

WASHINGTON.—Current racial incidents in New York City, Albany, Ga., and elsewhere have prompted the questions: Who started the drive for integration? Who really deserves the credit for this vast social change which is stirring up so much commotion in the North as well as the South?

The origin of integration, or civil rights, as a vote-getting technique in modern politics can be found in the platform of one national political party in an American presidential election. Somewhat condensed, the platform plank on civil rights follows:

"There is a new Negro in process of development. The social composition of the Negro race is changing. Formerly the Negro was the cotton farmer in the South and domestic help in the North. The industrialization of the South, the concentration of a new Negro working-class population in the big cities of the East and North, and the entrance of the Negroes into the basic industries on a mass scale have changed the whole social composition of the Negro race. * * *

"The Negro has fled from the South, but what has he found in the North? He has found in the company towns and industrial cities of the North and East a wage slavery virtually no better than the contract labor in the South. He has found crowded, unsanitary slums. He has exchanged the old segregation for a new segregation. He is doing the most dangerous, worst paid work in the steel, coal, and packing industries. He has found the racial prejudices of a narrow, white labor aristocracy, which refuses to recognize the unskilled Negro worker as its equal."

To sum up its civil rights plank, the party made these 12 demands.

"1. Abolition of the whole system of race discrimination. Full racial, political, and social equality for the Negro race.

"2. Abolition of all laws which result in segregation of Negroes. Abolition of all Jim Crow laws. The law shall forbid all discrimination against Negroes in selling or renting houses.

"3. Abolition of all laws which disfranchise the Negroes.

"4. Abolition of laws forbidding intermarriage of persons of different races.

"5. Abolition of all laws and public administration measures which prohibit, or in practice prevent, Negro children or youth from attending general public schools or universities.

"6. Full and equal admittance of Negroes to all railway station waiting rooms, restaurants, hotels and theaters.

"7. Federal law against lynching and the protection of the Negro masses in their right of self-defense.

"8. Abolition of discriminatory practices in courts against Negroes. No discrimination in jury service.

"9. Abolition of the convict lease system and of the chain gang.

"10. Abolition of all Jim Crow distinctions in the Army, Navy, and civil service.

"11. Immediate removal of all restrictions in all trade unions against the membership of Negro workers.

"12. Equal opportunity for employment, wages, hours, and working conditions for Negro and white workers. Equal pay for equal work for Negro and white workers."

No, this platform plank was not drafted by Hubert Humphrey at the Democratic National Convention of 1948 nor by Chester Bowles and his ADA aids at Los Angeles in 1960.

This is the civil rights platform plank of the Communist Party in the United States in the presidential election of 1928.

Check the 12-point list and see how many of the Communists' demands of 34 years ago have been granted today.

(Source: "National Party Platforms, 1840–1956," by Kirk H. Porter and Donald Bruce Johnson, the University of Illinois Press, Urbana, 1956, pp. 317–319.)

A BETTER CHANCE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. MONAGAN] 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. MONAGAN. Mr. Speaker, in these days when relations between the races in our country frequently fall into an unsettled state, the suggestions for constructive improvement are regrettably few. One dramatic exception is the new experimental program for secondary school students who have suffered from lack of social and educational advantage, initiated by Dartmouth College.

This program will upgrade Negro students and those of low income families, for admission to educational advantages which otherwise might not be theirs.

A summary of this exciting and progressive program from an official publication of Dartmouth College follows herewith.

It is fondly to be hoped that this example will be followed widely throughout the United States.

The article referred to is as follows:

An experimental program designed to give socially and educationally disadvantaged secondary school students "a better chance" will be inaugurated at the college next summer. Known as project ABC (for "A Better Chance") it will be a collaborative effort by Dartmouth and the independent secondary schools that participate in the national scholarship service and fund for Negro students independent schools program, and will bring some 50 Negroes and others from low-income families to the Dartmouth campus for 8 weeks of intensive study in July and August.

If they make satisfactory progress during the summer they will enter one of the participating independent schools in the fall. They will have already received contingent admission and scholarships to these schools. The aim is to prepare them for eventual admission to the college of their choice on completion of their secondary-school studies.

Students for the summer 1964 program have been selected from among those in the first 2 years of high school, primarily from New England and New York. All were chosen for their mental capacity and leadership potential, but they also had to be among those who probably would not qualify for college in their existing circumstances. They are academic risks in that they will need special preparation to succeed in an independent secondary school. At Dartmouth they will receive intensive tutorial instruction in English and mathematics from about 10 experienced teachers selected from the Dartmouth faculty and secondary schools. In addition, about 10 Dartmouth undergraduates will assist as resident tutors.

ROCKEFELLER FOUNDATION SUPPORT

The Rockefeller Foundation is supporting the 3-year experimental program with a $150,000 grant.

President Dickey says that the "primary objective educationally is to determine whether an intensive and highly individualized effort on a campus of higher education can help remedy the academic and cultural deprivation which stands between 'a promising potential' and its educational fulfillment."

He stated that Negroes and other disadvantaged groups face a deepening and dangerous frustration of their aroused desires for equal opportunity unless more individuals from these groups can be qualified for participation in the leadership sector of our society. "The main barrier to this development in most northern colleges is the lack of qualified applicants for admission and financial aid. Progress on the problem requires action at all levels and in various ways, but any swift, substantial improvement will depend upon qualifying more candidates for college from boys and girls now in the early stages of their secondary schooling. As with everything else in education this problem cannot stand still; the growing competition for higher education will push the problem back into deeper hopelessness unless at least a start is made on its improvement immediately."

SCHOOLS PARTICIPATING

Participating independent schools are Abbott Academy, Andover, Mass.; the Barlow School, Amenia, N.Y.; the Cheshire Academy, Cheshire, Conn.; the Choate School, Wallingford, Conn.; Commonwealth School, Boston; Concord Academy, Concord, Mass.; Dana Hall School, Wellesley, Mass.; Deerfield Academy, Deerfield Mass.; Emma Willard School, Troy, N.Y.; George School, Bucks County, Pa.; Governor Drummer Academy, South Byfield, Mass.; Groton School, Groton, Mass.; the Gunnery, Washington, Conn.; Hebron Academy, Hebron, Maine; the Hotchkiss School, Lakeville, Conn.; Kent School, Kent, Conn.; Kiskiminetas Springs School, Saltsburg, Pa.; Lenox School, Lenox, Mass.; Mount Hermon School, Mount Hermon, Mass.; Northfield School, East Northfield, Mass.; Phillips Academy, Andover, Mass.; Pomfret School, Pomfret, Conn.; Putney School, Putney, Vt.; St. George's School, Newport, R.I.; St. Mary's in the Mountains, Littleton, N.H.; St. Paul's School, Concord, N.H.; the Taft School, Watertown, Conn.; Tilton School, Tilton, N.H.; Western Reserve Academy, Hudson, Ohio; and Windsor Mountain School, Lenox, Mass. Chairman of the independent schools group is Howard L. Jones, president of Northfield and Mount Hermon Schools.

DEDICATION OF NALCREST

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. MORRISON] 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. MORRISON. Mr. Speaker, it was my privilege, recently, to participate in the dedication of Nalcrest, the retirement community that has been built in East Lake Wales, Fla., by the National Assotion of Letter Carriers.

I wish every Member of this body could have been present.

This was an inspiring occasion, as I feel sure the gentleman from Montana [Mr. OLSEN], who accompanied me, will testify.

More than 2,000 people attended the ceremonies, including the Postmaster General of the United States, members of his staff, and dignitaries from government and business throughout the State of Florida.

I am certain that everyone who was there was as deeply impressed as I was. This retirement community is a dream come true. Beautifully situated on the snow-white shores of Lake We-Oh-Ya-Kapka, it is a completely equipped paradise which retired people, from all walks of life, may occupy at a cost well within their modest budgets. In pioneering this imaginative project the National Association of Letter Carriers has earned the gratitude of every retired workingman in the Nation, and every workingman who is contemplating retirement.

The physical plant at Nalcrest, which was built with an FHA loan and with its helpful cooperation, is a magnificent example of beauty and completeness. The apartments are wonders of modern planning, each designed and built with the physical problems of our retiring citizens in mind. The town center, with its magnificent plaza, its up-to-date and full-stocked general store, its beauty and barber shops, its medical dispensary, its 800-seat auditorium and its activity rooms would do credit to any community in America or for that matter any part of the world. The swimming pool, the fishing and boating facilities and all the recreational areas are both beautiful, practical and wonderful.

But, Mr. Speaker, the greatest and most significant thing about Nalcrest is the happiness and the pride of those who live there. I have never in my life met happier or more contented people. They are just as active as they want to be, for the beauty of this place is that one can keep busy or just relax to the heart's desire. One resident told me: "I would have to own an $85,000 home to live as comfortably and as conveniently as I live here for just $64.50 a month." Another said: "My wife and I have never been so happy in our lives. If all the retired people in the United States knew how remarkable and wonderful Nalcrest is, there would be a waiting list of 10,000 people clamoring to get in."

I want you to know, Mr. Speaker, that my day at Nalcrest made me as proud as I have ever been in my life. It made me proud of my Government, because this retirement paradise would have been impossible of achievement if it were not for the Federal Housing Administration's participation. It also made me proud of our postal employees. This great project was the dream of the membership of the National Association of Letter Carriers.

It has been made possible by two of the greatest leaders of labor that this Nation has ever produced: Ambassador

William C. Doherty, the former president of the NALC, and Jerome J. Keating, the present president of that splendid organization along with countless other officials who contributed so much. It took imagination, leadership, courage, vision, and great business sense to produce Nalcrest and these are attributes which the NALC possesses in great abundance.

My experience at Nalcrest also made me extremely proud of the generosity and compassion which activates the leaders and the members of the National Association of Letter Carriers. These fine people knew that the worries and tribulations of living decently on a small annuity are not limited to their own members, they are universal among retired people everywhere in this land of ours. So, instead of hoarding all the beauties of Nalcrest for themselves, they are sharing them with retired people from all walks of life, whether they be letter carriers or not. Although the great majority of residents are retired letter carriers, I also met at Nalcrest retired businessmen, postmasters, postal clerks, firefighters, carpenters, and electricians. They come from all walks of life, and all are equally happy, equally proud, and equally enthusiastic.

Every American should know about Nalcrest, Mr. Speaker. I sincerely recommend to every Member of this body that they drop in on this unique community the next time they are in Florida. Nalcrest is centrally located, in the heart of the State near the beautiful city of Lake Wales and is easily accessible. It has to be seen to be believed. Just visiting there is a great experience; living there is an experience beyond my power of description.

U.S. CHAMBER OF COMMERCE REBUFFED—ARA SEED CORN MONEY BECOMES SEED OF PROSPERITY, EXAMPLE OF GOOD WORK OF ARA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] 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. PATMAN. Mr. Speaker, Ed Neilan's U.S. Chamber of Commerce advance man was quick to take advantage of an approved ARA loan, but Phil Simpson declined to pay out $2,500, as indicated in the following letter which also clearly shows how Area Redevelopment Administration funds stimulated business in Maine, Kansas, Iowa, Ohio, and Texas, as well as Oklahoma where the project is located.

Here again is seed corn money and the crop we will harvest is prosperity. This is reminiscent of the Lone Star Steel Co. RFC loan which was paid back to the Federal Government in full—$75 million—and which earned a 200-percent profit to the Government on its investment in interest and taxes, not to mention the thousands of workers employed by this plant over the years. Seed corn money is the seed of prosperity.

REPUBLIC GYPSUM CO.,
Lubbock Tex., January 23. 1964.

HON. WRIGHT PATMAN,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. PATMAN: We wish to congratulate you on your remarks about Mr. Edwin Neilan, president, U.S. Chamber of Commerce; we agree with you 100 percent.

We are very proud to be able to write you now on our new letterhead rather than our old business letterhead of Avinger Lumber Co., although we are very proud of that business too. It is because of the Area Redevelopment Administration that we have been able to grow into a big-business industry. You may know that we obtained a $2,636,725 loan from the ARA to build a gypsum wallboard plant costing a total of $5 million at Duke, Okla. Construction began in October and we expect the construction company to complete the project in September 1964. In all the phases of processing of the finances for our plant we never received consideration as courteous and efficient as that we received from the ARA in Washington, the U.S. Bureau of Mines in Morgantown, W. Va., and the Small Business Administration in Dallas.

Our plant construction demonstrates how the ARA program helps all sections of our Nation. A Houston contractor was granted the $4 million primary construction contract. This firm let a $1,700,000 subcontract to an Enterprise, Kans., equipment manufacturer; a $200,000 building contract to another Houston company; a $20,000 subcontract to a Des Moines water tank manufacturer. The Kansas firm let a $70,000 contract for rock crushers to a Maine company and a $450,000 contract to a Painesville, Ohio, manufacturer for a wallboard dryer. Most of all the project helps the local economy. The general contractor strives to employ local firms for subcontract work in all cases possible. He is now working about 75 men by the hour, at rates from $2.05 to $4.50 per hour (about $0.75 per hour above the rates in effect for what work there was before our plant contractor moved in). The contractor is very happy; he says that these are the hardest working men that he has ever had in his employment.

We have also been aware of the opposition of Mr. Nielan to the ARA. It was with some delight that we talked with a representative of the U.S. Chamber of Commerce several months ago. He came to our office to solicit our membership in his organization; on the basis of our reported net worth, he said that he would be honored to have us become members and help defer the costs of the organization to the extent of $2,500 per year. We told the gentleman that what little net worth we did have can be attributed to conditions promoted by the New and Fair Deals, the very programs to which the U.S. Chamber is so adamantly opposed. We told him unequivocally that we would not join an organization that was against everything that we are for and was for everything we are against. Before he left he asked if we would join for an annual fee of $100.

We are now waiting for a visit from a representative of the National Association of Manufacturers and the Gypsum Association.

Legislation such as the Area Redevelopment Act of 1961 is very important in improving the economic opportunity for the small businessman. We sincerely appreciate the program and your efforts in helping to continue the application of the act with supplemental appropriations.

Very truly yours,

PHIL SIMPSON.
RHYNE SIMPSON.

THE ST. LAWRENCE SEAWAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FALLON] 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. FALLON. Mr. Speaker, we have heard glowing reports of new gains in trade through the St. Lawrence Seaway during the recently completed navigation season of 1963. Yet, behind the seemingly impressive total of 31 million tons that moved through the seaway last year are dreams, deficits, and delusions that need to be aired, lest we be completely misled.

Seaway Administrator Joseph H. McCann would have us believe that the waterway is now paying its own way and no longer constitutes a drain on the American taxpayer. However, records of the seaway operation reveal an entirely different story.

While traffic in 1963 increased some 6 million tons to a total of 31 million, it remained 10 million tons short of the corporation's tolls committee estimate in 1958. Revenues in 1963 estimated at $15,200,000 fell $6 million short of the revenue initially estimated for 1963 and $10 million short of the amount required for a break-even operation including amortization. The loss in 1963 brings the accumulated deficit in interest costs up to $14.5 million for the first 5 years of the seaway's operation. Of course, no part of the $121 million Treasury loan for the seaway has been repaid.

During the first 5 years of seaway operation, total revenues from seaway tolls have yielded only half of seaway costs. while the average toll on total traffic moved in the first 5 years averaged only 49 cents a ton. Even though buildup of seaway traffic required time—as was recognized by the tolls committee in its estimates—actual traffic was only 73 percent and revenues averaged 69 percent of the original tolls committee estimates.

To make the seaway truly self-supporting, it must produce $25 million in annual revenues. Since the tonnage reported for 1963 is practically the capacity of the seaway, the only way to make the waterway self-sustaining is to increase the toll rate per ton. Users of the seaway can well afford such an increase as evidenced by the reports of the Seaway Corporation, itself. It shows the very considerable savings realized in shipping costs via the seaway route.

Just a year ago, the Secretary of Commerce, in compliance with an agreement entered into by Canada and the United States in 1959, appointed a new tolls committee to review the sufficiency of authorized tolls in meeting the statutory requirements laid down by Congress. The committee's report is due by July 1. To date, no announcement has been made as to when the committee will hold hearings on its study.

Congress will be interested in the committee's findings when issued. Unlike the original corporation tolls committee

of 1958 which had adequate data for ascertaining costs of building the seaway but had nothing other than hope on which to base its estimates of traffic, the present tolls committee has accurate data on the first 5 years of operations as a basis for its findings. Prudent judgment would dictate that there be no alternative except to raise tolls to a more realistic level.

Schemes have been proposed to transfer certain costs of the seaway from the users to the taxpayers, such as reducing the present interest rate of 3½ percent or to extend the 50-year period of amortization. Others advocate more time and money for trade promotion coupled with extensive navigational improvements—all at the taxpayer's expense.

I participated in the lengthy deliberations of the Public Works Committee on the legislation that authorized the construction of the waterway and established the Seaway Corporation. The directive of Congress was clear. Public Law 358, 83d Congress, approved May 13, 1954, states:

> That the rates prescribed shall be calculated to cover, as nearly as practicable, all costs of operating and maintaining the works under the administration of the Corporation, including depreciation, payment of interest on the obligations of the Corporation, and payments in lieu of taxes.
>
> That the rates shall provide, in addition, for the Corporation revenues sufficient to amortize the principal of the debts and obligations of the Corporation over a period not to exceed fifty years.

It was intended that Government get back its investment with interest in 50 years. Construction funds were borrowed from the U.S. Treasury with interest set at a bargain rate of 3½ percent—a rate far below that available to private corporations for long-term loans. Any reduction of this rate of interest would further saddle taxpayers with the cost of carrying the Seaway's outstanding indebtedness. Similarly, extension of the amortization period beyond 50 years would defeat the self-supporting, self-liquidating features which Congress approved in enactment of Public Law 358.

There can be no mistake as to the intent of Congress, nor can any tricks of bookkeeping change the requirements of self-liquidation. The law is equally clear on the interest rate to be used and on the payout period. There is no justification for a nominal or fictitious interest rate, extension of amortization period, or further deferment of interest. Nor should the Authority attempt to meet its obligations under the law by juggling figures. There is but one solution to the dilemma in which the Seaway Corporation finds itself—a realistic increase in the toll structure to help put the waterway on a pay-as-you-go basis.

In authorizing advancement of funds to permit the seaway's construction, Congress made it clear that there should be no undue interference from the waterway's operation with efforts of our Atlantic coast ports to compete for domestic and foreign trade. And by no stretch of the imagination, were tax moneys levied on our ports to be diverted to subsidizing trade promotion by ports along the seaway.

By contrast, my own hometown of Baltimore has for many years pursued an active program of port promotion, both at home and abroad. And this promotion was entirely self-help and without cost to the U.S. taxpayer. We are proud of our port's efforts to attract more trade through self-improvement programs such as the recently announced $7 million modernization of the Locust Point Terminal. Despite these efforts we have seen traffic diverted from Baltimore to the seaway.

The seaway is a success in every respect except one—financially. There is no reason why this waterway cannot become a financial success too. It can be a paying operation in the light of increased transits by ships of many nations—albeit these include less than 4 percent flying the flag of the United States.

It is most disturbing and even alarming to hear statements by the Administrator revealing his resistance to higher tolls. Even though he may personally find his task somewhat difficult, I trust that when the time comes for decisive action, the Corporation will face up to its responsibility in this respect.

Our President has given Congress a big and important job to do this year. I certainly hope that our workload will not be burdened by the necessity of conducting an investigation to determine why this great seaway cannot be a self-sustaining operation.

ARA BRINGS UNEMPLOYMENT DOWN

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] 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. PATMAN. Mr. Speaker, there has been considerable misinformed talk about whether or not the area redevelopment program is really helping the areas it was designed to aid. I am happy to report that the statistics now becoming available prove the success of this program. These statistics were cited by William L. Batt, Jr., ARA Administrator, in a recent letter to the editor of the Washington Post.

In view of the significance of these figures, I am bringing this letter to the attention of the Members of Congress:

> ARA AND EMPLOYMENT
>
> Julius Duscha's otherwise excellent article in your issue of January 19, "The Circle of Destitution," maintains that the Federal programs for the relief of depressed areas have been frustrated because of the inability of the agencies to concentrate their efforts in the areas that really need help.
>
> Although we would not agree that rural poverty is less deserving of help than urban poverty, the record should be clear that 73 percent of all ARA funds have been invested in areas which have been officially classified by the Department of Labor as areas of substantial and persistent labor surplus. All such areas would have been included in the original ARA bill, before it was broadened to include rural development activities. Not a single ARA project for the traditional depressed areas has been turned down because of the need for funds for projects in rural areas.
>
> We would not agree that the program has been frustrated. The unemployment rate in the depressed industrial areas of West Virginia has dropped from 12.1 percent in August 1961 (the year the ARA Act was passed) to 7.6 percent in August 1963. For the same areas in Pennsylvania during the same period the rate dropped from 10 to 6.8 percent. Comparable figures for Kentucky are from 16.3 to 8.2 percent, and in Tennessee from 13.8 to 12.2 percent.
>
> In one of the most distressed areas in the Nation, eastern Kentucky, total unemployment decreased by 10 percent from 1962 to 1963, while unemployment was increasing nationally by 10 percent.
>
> From 1961 to 1963 the national unemployment rate dropped by 1 percentage point. The unemployment rate for all depressed areas dropped by 2 percentage points during the same period. In fact, in most depressed areas, the unemployment rate is decreasing faster than it is for the Nation as a whole. This is a sharp reversal of the situation preceding 1961.
>
> We conclude from these statistics that the economic woes of the distressed areas have been noticeably lessened, largely due to the efforts of the communities themselves, supplemented, assisted, and encouraged by programs such as the Area Redevelopment Act, the Accelerated Public Works Act, and the Manpower Development and Training Act.
>
> WILLIAM L. BATT, JR.,
> *Administrator, Area Redevelopment Administration.*

THE HONORABLE ED FOREMAN, REPRESENTATIVE FROM TEXAS

The SPEAKER. Under previous order of the House, the gentleman from New Hampshire [Mr. WYMAN] is recognized for 60 minutes.

Mr. WYMAN. Mr. Speaker, ED FOREMAN is 30 years old now, he was 28 when he was elected to the House, and he has been recognized by many people not only in the House but around the United States as one of the most able legislators and one of the most able businessmen and one of the most able speakers in all of the country.

We are proud here in the House that ED FOREMAN represents in a sense derivatively the Congress in something that people recognize around the country as being a constructive achievement for a change.

ED FOREMAN is not only an outstanding Member of Congress at 30 years of age, but he is a man of courage, principle, and indefatigable devotion to the cause of Americanism. In this day and time when courage, integrity, and strength of character are at a premium in an age of materialistic cynicism, ED FOREMAN is an outstanding example of what a young American who wants to can make of his life, and at an early age. His selection as one of America's 10 outstanding young men is highly deserved and provides a great example for other young Americans on the way up. ED FOREMAN is a living example of free enterprise in action and its benefits to mankind for he has proven that neither youth nor lack of financial backing or previous

business experience need deter any young man who is willing to put himself to work. It is from young men like ED that America draws her strength and I am proud to be associated with him here in the House.

ED FOREMAN, youngest Member of the 88th Congress of the United States, has plunged through 3 different careers during his 29 years, and has managed to come near, or reach, the top of all of them.

His first venture was at New Mexico State University—formerly A. & M.—where he majored in civil engineering. FOREMAN, born and raised on a farm near Portales, N. Mex., knows the meaning of hard work and the value of a dollar. He and his five brothers helped their father on the farm. They had enough to eat, but not much more. ED had to work his way through school, but he managed to graduate with honors at the top of his class. He was named the outstanding civil engineering graduate, and among other honors, was awarded honorary membership in the American Society of Civil Engineers.

His next venture was in the petroleum industry of the Permian Basin oil fields of west Texas. At the age of 21, FOREMAN hit the oil fields with $100 in his pocket. He worked as a roughneck and roustabout until he could learn the ropes and save a little money. Except for a short interruption to serve his military duty in the U.S. Navy, FOREMAN stayed with his oilfield work. Here, he noticed something which everyone knew but had never thought to translate into profit—that salt water was surplus in some oil refining operations and necessary for drilling in others. He pioneered the use of a saturated brine as a drilling fluid additive to prevent the leaching of salt formations in downhole drilling operations. He started buying the surplus salt water at the refineries and hiring it transported to the drilling rigs where he sold it as a drilling fluid. As his business expanded, FOREMAN started drilling his own brine wells, strategically locating them near the field drilling operations. He became one of the first oilmen to begin mining industrial salt in west Texas by water injection.

As the brine business expanded, so did his transportation requirements, and next, he started building up a fleet of oilfield tank transport trucks and oil well service equipment. An aggressive, hardworking business manager and planner, FOREMAN was out early and worked late, personally supervising many of his service operations and improving their techniques. Being closely associated with the drilling industry and familiar with their needs, FOREMAN branched out into another field—a small tool manufacturing company specializing in the research and development of a downhole device that aids in establishing the total depth of a well and counting the number of joints of drill pipe in the hole.

At the age of 26, FOREMAN, already making much more than his present salary of $22,500 as a Congressman, was serving as an officer in three successful, and growing, corporations that he had started and helped build—Permian Brine Sales and Service, Inc., Foreman and Hickerson Transports, Inc.; Drill Aid, Inc.

FOREMAN'S third venture was in the field of politics. Always an active political worker and spokesman, he had never sought political office until he announced as a candidate for U.S. Representative from Texas' 16th Congressional District. He traveled from El Paso to Midland, and from the Mexican border near Del Rio to the New Mexico line. He shook hands and visited with over 50,000 people during his year-long campaign. His attractive young family traveled and campaigned with him much of the time.

He won, and became the first Republican ever to represent the 42,000 square-mile 16th District of Texas. As the youngest Member of Congress, he became one of the rare freshman lawmakers to be appointed to a key committee post—the powerful House Armed Services Committee. Congressman CARL VINSON of Georgia, chairman of the Committee, has been outspoken in his praise of FOREMAN'S outstanding ability and work in this key committee assignment.

In the House of Representatives, FOREMAN has proven to be an outstanding and articulate spokesman for sound, responsible, and conservative Government. The present administration can scarcely ignore FOREMAN. From almost his first day in Congress, he scorned the traditionally unobtrusive role of a new Member. He has not hesitated to attack New Frontier spending schemes and expose waste anywhere he found it.

In less than 60 days after taking office, FOREMAN was proving his worth as a watchdog of the taxpayer's dollars by his protest over the purchase price of Army helicopters. As a lone freshman Congressman, in executive committee session, he raised objection over the price budgeted for the equipment, and a resulting investigation brought about a savings of over $5 million on the item. This is only one of a number of instances where FOREMAN has helped save millions of taxpayer dollars.

He was confronted with the test which faces every advocate of economy—the enticement of a handsome Federal handout for his own district—$5 million to be spent to eradicate the salt cedar bushes along the Pecos River Basin. He spurned it and said:

> We can get together and take care of our own problems without the help of Federal funds. My interest is to streamline Government and try to make it more efficient, because I want to reduce its size, cost, and control. I am more interested in extending freedom than I am in promoting a welfare state.

His actions back up his words. He seems to be one of a rare, but growing, breed on Capitol Hill.

Although he has been an exceedingly busy young man, ED FOREMAN has not shirked his community responsibilities. His civic activities read more like that of several men. He has served as chairman of the Ector County Heart Association, an active worker in the United Fund, a State director of the Texas Heart Association, a director and committee chairman of the "Permian Basin Oil Shows of 1958, 1960, 1962," chairman of the Oil Information Committee of the Texas Mid-Continental Oil & Gas Association, a director of the Odessa Chamber of Commerce and member of several other west Texas cities' chambers of commerce, assistant boss of the Odessa Chuck Wagon Gang, a member of the Odessa Jaycees and Rotary, and member of the American Society of Civil Engineers and American Petroleum Institute and others.

A tireless civic worker, FOREMAN is a familiar sight on the streets of almost every city in the Permian Basin and is widely known in both the oil industry and at civic gatherings. He has, on occasions, left his business, traveled hundreds of miles at his own expense, to speak before large groups and work in behalf of the Red Cross, Heart Fund, and United Fund campaigns. "If it is for a good cause and will help others, get ED FOREMAN," one Odessa civic leader declared.

Married and father of two young children, FOREMAN is also active in church work. In Odessa, he and his family attend the Highland Methodist Church where he serves on the board of stewards. He is a Scottish Rite Mason, a director in the El Maida Shrine and an ROJ.

Because of his continuous and unselfish efforts and work for the betterment of his community, he has received many honors and awards. In 1961, he was named "Boss of the Year" of the Odessa chapter of the American Business Women's Association. As a result of his work and dedication to the cause of freedom and private enterprise, he was named the Outstanding Young Man of Odessa in 1960 and recipient of the Jaycees distinguished service award. In January 1963, he was honored by the Texas Jaycees by being named one of the Five Outstanding Young Men of Texas.

ED FOREMAN, a living example of free enterprise in action and its benefits to mankind, is a responsible businessman, a civic leader, an articulate spokesman and champion of individual liberty, and an outstanding young American. He is a success-minded young man who believes that opportunity still exists for those who strive to succeed, and he has proven that neither age, nor financial backing, nor previous business experience need deter any young man who is willing to put himself to work.

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

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

Mr. HALLECK. Mr. Speaker, I am mighty happy—and mighty proud that one of the younger Members in our ranks has received this signal honor from the U.S. Junior Chamber of Commerce.

It was my pleasure to visit El Paso late last year and meet a lot of ED FOREMAN'S friends and neighbors.

My comment to them was that when they finally got around to electing a Republican they elected a no-doubt-about-it, stand-up-and-be-counted young statesman who is making his mark in the Congress.

ED FOREMAN is demonstrating in his assignment to the Armed Services Committee that he recognizes his responsibilities not only to the people who sent him to the Congress but to the entire country.

And he is meeting those responsibilities with a dedication which makes this outstanding tribute paid him by the Jaycees richly merited.

I do not know of a single Member in our ranks who works harder at his homework, or who is more steadfast in fighting for what he believes is right.

And I certainly do not know a fellow American more loyal to his country and what it has always stood for than ED FOREMAN.

So I join in extending my warmest congratulations to him on being chosen by the Jaycees as 1 of the 10 outstanding young men in the Nation for 1963.

Mr. WYMAN. I thank the gentleman.

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

Mr. WYMAN. I yield to the gentleman from Illinois.

Mr. RUMSFELD. Mr. Speaker, it is indeed a privilege to have this opportunity to congratulate my colleague, ED FOREMAN of Texas on his selection by the JC's as 1 of the 10 outstanding young men in the United States.

He is well qualified for this honor. At 30 he is young by congressional standards, is an energetic Texan, he is indeed a man, and a glance at the amazing record he has compiled in a brief 3 decades, is at the minimum, outstanding, and would do credit to a man twice his age.

During his first year in the Congress of the United States, ED FOREMAN has distinguished himself as an effective member of the Armed Services Committee. As a nationally known public speaker, he is an inspiration to the youth of this country. As a man dedicated to controlling Federal spending, he has endeared himself to the taxpayers of his district.

ED FOREMAN has a long and distinguished career ahead of him and I salute and congratulate him on his selection as 1 of the 10 outstanding young men in the United States.

Mr. Speaker, I ask unanimous consent to insert in the RECORD a number of comments by outstanding Americans on Congressman ED FOREMAN.

The SPEAKER pro tempore (Mr. LIBONATI). Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

COMMENTS ABOUT CONGRESSMAN ED FOREMAN

Look magazine, January 28, 1964: "The youngest Member of the 88th Congress is conservative Republican ED FOREMAN who won himself a post on the powerful House Armed Services Committee. He wars on waste in Government for the 660,000 people of Texas' 16th Congressional District."

Fortune magazine, December 1963: "Early last spring, freshman Congressman ED FOREMAN, the first Republican ever elected from his west Texas district, refused to play the congressional porkbarrel game, by attacking a proposed $5 million Federal program to rid the Pecos River Basin of troublesome saltcedar shrubs. 'Couldn't we do this job ourselves, better and cheaper than the Federal Government can do it for us?' asked FOREMAN. From his constituents of west Texas came letters—in a 70-to-1 ratio—saying they could indeed."

Drew Pearson, Washington columnist (January 12, 1963), wrote: "ED FOREMAN is a rootin' tootin' conservative with blood in his eye to defeat the Socialists in our Government."

Sarah McClendon, Washington news correspondent and columnist, wrote in her column February 16, 1963: "Something new has been added to the contemplation of how much money to give the military for procurement—something new in the way of a brash young man from west Texas with some knowledge of engineering and a downright embarrassing way of asking questions. Never has the House Armed Services Committee heard of such a thing before. In fact, the old members were agog when Representative ED FOREMAN, Republican, of Odessa, began to question the $55,000 each to be spent on 320 helicopters for Army use and a resulting investigation brought about a savings of over $5 million."

Seth Kantor, Scripps-Howard Washington correspondent (January 17, 1964), wrote: "Representative ED FOREMAN has been an outspoken critic of Federal spending programs in his district, in the Nation, and in foreign areas."

Congressman BOB WILSON, Republican, of California, member of the House Armed Services Committee and chairman of the National Republican Congressional Committee, in a speech at Odessa (January 11, 1964) said: "ED FOREMAN has done more to tell the petroleum industry story and help preserve the percentage depletion allowance than any other Congressman I know. He's got things done that the vast majority of freshman Congressmen could never do—these things have saved you money, and have been in the cause of conservatism and free enterprise."

Congressman CARL VINSON, Democrat, of Georgia, chairman of the powerful House Armed Services Committee and a personal friend of Congressman FOREMAN, said on the House floor (March 11, 1963): "Mr. Chairman, I want to congratulate the gentleman from Texas [Mr. FOREMAN] a member of the Armed Services Committee, who is making an outstanding record."

Congressman CHARLES HALLECK, Republican, of Indiana, the distinguished minority leader of the House of Representatives, said (November 18, 1963) at an El Paso appearance in behalf of FOREMAN: "Take it from me, in ED FOREMAN you folks have some mighty effective representation on that great committee (Armed Services). I don't know of a single member who works harder at his homework. I don't know of anyone more steadfast in fighting for what he believes is right. And I certainly don't know a fellow American any more loyal to his country and what it has always stood for than ED FOREMAN."

The U.S. Junior Chamber of Commerce in honoring ED FOREMAN as one of America's 10 outstanding young men (January 25, 1964), cited FOREMAN's appointment to the "major policysetting House Armed Services Committee becoming that group's youngest member in history," and stated further, "Congressman ED FOREMAN has proven to be an outstanding and articulate spokesman for responsible conservative government. He has not hesitated to attack liberal free-spending schemes and expose waste anywhere he found it."

Mr. WYMAN. I thank the gentleman.

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

Mr. WYMAN. I yield to the gentleman.

Mr. HORTON. Mr. Speaker, one of our colleagues, the distinguished gentleman from Texas [Mr. FOREMAN] is the recipient of a truly great award. ED FOREMAN is one of America's 10 outstanding young men of 1963.

Just last Saturday evening in Santa Monica, Calif., ED and 9 other young American men received trophies symbolic of their selection by the U.S. Junior Chamber of Commerce as the 10 outstanding young men of 1963.

I am particularly proud that the judges chose ED FOREMAN for this coveted award, since it was my pleasure to place his name before them. This nomination submitted his work and his personal life to scrutiny by a panel of the Nation's most distinguished citizens.

ED's award of this high honor is immensely significant. First, it is evidence that the qualities of democracy, determination, and decency which characterize free enterprise also are considered to characterize ED FOREMAN, for the award sponsor in inviting nominations asked that a nominee be a young man who has demonstrated what a person can do under our free enterprise system.

The award associates ED in a national standard of excellence with a long line of notable young American men. These are men who, at some point between the age of 21 and 35, were recognized for their exceptional achievement or contribution of importance in their chosen field. Among the internationally prominent men who were awarded the silver Jaycee hands trophy in years past were John Fitzgerald Kennedy, 1946; Richard M. Nixon, 1947; Henry Ford II, 1945; Dr. Tom Dooley, 1956; Bud Wilkinson, 1949; Leonard Bernstein, 1944; and William Saroyan, 1940.

In a very real sense, ED's recognition reflects favorably not alone on him, his family, and his thousands of west Texas friends, it also is testimony to the American political structure and our House of Representatives. It is a fitting recognition of our youngest colleague and his exercise of independent judgment in helping to decide some of the most crucial questions ever faced by the United States.

Rather than pursuing the more lucrative paths he followed before seeking elective office, ED FOREMAN chose congressional service at a young age and now is developing for the public good the talents he employed to succeed in private life. Not the least important of these talents is ED's ability to detect excessive spending. I am confident the U.S. Junior Chamber of Commerce was as thankful to ED FOREMAN as were those of us in the House when we learned he corrected a situation where the price being paid for military helicopters was costing the American taxpayer unnecessary millions of dollars.

Mr. Speaker, we are all proud of ED for being named to the small and select group of America's 10 outstanding young men. He has richly earned the distinction this honor brings him.

Mr. WYMAN. I thank the gentleman from New York. As the gentleman knows, the special order was taken at the instance of himself, Congressman WILSON of California and myself, all of whom nominated ED FOREMAN for this high honor.

Mr. MILLER of New York. Mr. Speaker, I was delighted to learn that our distinguished colleague in the House of Representatives, ED FOREMAN, has been named one of 1963's 10 Outstanding Young Men in America by the U.S. Junior Chamber of Commerce. As we are all aware, ED has done a remarkable, effective job in his first term as a Member of the House of Representatives. He is held in high regard not only by Republicans but also Democrats on the other side of the isle. It is seldom that a new Member of Congress has made the impact upon his colleagues as ED FOREMAN. I do not hesitate to predict that he will be a Member of the House for many years to come and be of service not only to constituents in his congressional district but to Americans across the Nation.

Mr. SHRIVER. Mr. Speaker, it is a pleasure for me to associate myself with the tributes which have been extended here today to our distinguished colleague, ED FOREMAN, of Texas. I join heartily in conveying my personal congratulations to the capable young gentleman from Texas upon being selected by the U.S. Junior Chamber of Commerce as one of 1963's 10 outstanding young men in America.

The citizens of the 16th Congressional District in Texas are fortunate to be represented by an energetic and conscientious public servant such as ED FOREMAN. His dedication to public affairs has earned for him the plaudits of his community, State, and now the Nation.

It is a privilege to serve with him in this great representative body of our Republic.

Mr. FINDLEY. Mr. Speaker, with great pleasure I join in complimenting my young and able colleague from Texas, ED FOREMAN, on being named 1 of the 10 outstanding young men in America by the U.S. Junior Chamber of Commerce. This honor came to a 20th Congressional District man several years ago, and I know from the recognition he received what this will mean to Congressman FOREMAN. This is a high tribute, and one richly deserved.

ED is the type of American we need in Congress—one who will work hard for the principles he believes in, and give himself to help present these principles throughout the country. I know that he has accepted speaking dates at great personal inconvenience and expense at various parts of the country in the past few months.

It is a great honor to be in the House of Representatives and to be associated with him. I predict a distinguished career for him.

It is also a welcomed opportunity to recognize the outstanding service of the U.S. Junior Chamber of Commerce. The chapters of this organization in the 20th Congressional District of Illinois have made many notable achievements in community advancements. That the Jaycees would single out ED FOREMAN for recognition speaks well both for ED and for the organization.

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

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

Mr. FISHER. Mr. Speaker, I desire to join in congratulating my colleague and neighbor, the gentleman from Texas [Mr. FOREMAN], as one of the 10 outstanding young men in America in 1963.

This choice was made by the Junior Chamber of Commerce, which surveyed the entire Nation in making its selections.

The selection of Mr. FOREMAN was evidently based on his hard work and devotion to duty while representing one of the great livestock-producing and oil-producing regions of the country.

I wish to join with my other colleagues in the House in commending Mr. FOREMAN for this outstanding recognition.

Mr. WYMAN. I thank the gentleman.

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

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

Mr. WEAVER. Mr. Speaker, I proudly join with my colleagues in congratulating ED FOREMAN for winning the distinction as one of 1963's 10 outstanding young men in America, an honor bestowed by the U.S. Junior Chamber of Commerce.

It has been a pleasure to serve in the Congress with ED. He is a fighter and a conscientious citizen anxious for America to move forward. He has consistently served as spokesman in Congress for sound, fiscal Federal policies. He has vigorously opposed free-spending schemes, exposing evidences of waste wherever he found it. He has been a proponent of strengthening our national security. This young man illustrates one of the best examples of success through determination and hard work. He is a model for young Americans.

He was reared on a farm where he learned the value of the dollar and the meaning of hard work. By the time he reached 26, he was a successful businessman. Later he surprised the political leaders of Texas by winning the congressional seat from Texas' 16th District—the first Republican to ever represent this area.

As a freshman Congressman, ED ignored the unwritten rule that new Congressmen should "be seen and not heard." He has made himself heard in Congress. Texas' 16th Congressional District has sent a forceful and vigorous leader to Washington. The district can be proud and honored to have a man with ED's outstanding capabilities representing them.

Mr. WYMAN. I thank the gentleman.

Mr. BOB WILSON. Mr. Speaker, will the gentleman yield?

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

Mr. BOB WILSON. Mr. Speaker, I am delighted to join in these well-deserved tributes to ED FOREMAN today—for several reasons. He is not only my colleague here in the House, but we serve together on the Armed Services Committee and I am proud to say he is a member of my political party.

From these three vantage points, I can understand very well what qualities the Jaycees were looking for when they picked ED as one of their 10 outstanding young men in 1963.

I had the good fortune to be in west Texas—in the Congressman's district—only this month. I met and talked with many of the fine people that ED represents and I know how proud they are of him and the fine job he is doing here in Washington.

This is not the first time that ED FOREMAN's qualities of leadership and character have been recognized. After graduating from college with honors, he received similar awards by his local community and by his State. He distinguished himself in private life before entering politics. We, in the Congress, are fortunate to have him with us.

There has been a lot of talk lately about the quality of the Congress and it seems to be a popular pastime in some quarters to ridicule this great institution. I would say to those of faint heart that when we have new recruits like this young man from west Texas there is not much to worry about.

Congratulations to you, ED. I believe your past will be your prolog.

Mr. WYMAN. I thank the gentleman from California, whose words are ever so much more significant because of the high national office that he holds in the Republican Party.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia [Mr. VINSON] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. VINSON. Mr. Speaker, I offer my sincere congratulations to the distinguished Member from Texas, Mr. FOREMAN, for having been selected as 1 of the 10 outstanding young men in the country by the U.S. Junior Chamber of Commerce.

Mr. FOREMAN is an industrious young man, who performs his congressional duties seriously and conscientiously. He participates actively in the affairs of the Committee on Armed Services and has demonstrated a keen awareness of the need for a strong national security. He represents a district with many important defense installations, and keeps himself fully informed on decisions that are vital to his district and the Nation.

I am happy to learn of the honor that has been bestowed upon him.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont [Mr. STAFFORD] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. STAFFORD. Mr. Speaker, I am pleased to join in this tribute to my able colleague, Hon. ED FOREMAN, of Texas, who has just been named as 1 of the 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

Since his election to the 88th Congress, it has been my pleasure to sit next to the distinguished Member from Texas in the deliberation of the House Armed

Services Committee. I believe his appointment to this major committee during his first term in the Congress at the age of 29 is of itself a testimony to the fine record of service he had before coming to Washington.

In committee and during the proceedings of this House, I have observed his dedicated sense of responsibility, his devotion to the principles in which he believes and his ability to speak out in support of these principles.

His contributions toward getting the best Defense Establishment possible from our tax dollars have been valuable ones.

His forthrightness has also won him praise and respect far beyond the Halls of this Congress and his own district. I recall that when he spoke in my State last year, he won the plaudits not only of those who heard him, but from the editorial writers of some of our leading newspapers.

The gentleman from Texas well deserves the honor which has been bestowed upon him, and I am pleased to join in paying tribute to him at this time.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from South Carolina [Mr. RIVERS] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, I am happy to join with my colleagues in commending the distinguished Member, the gentleman from Texas, the Honorable ED FOREMAN, who has been named 1 of the 10 outstanding young men in America for 1963 by the U.S. Junior Chamber of Commerce.

ED FOREMAN and I are on the opposite sides of the political aisle, but that does not preclude me from extending my warmest congratulations to him for an award which I know he fully deserves.

ED FOREMAN has brought to the Congress and particularly the Committee on Armed Services the spirit of youth, the charm of an active curiosity, and a remarkable ability to penetrate the sometimes cloudy economics of national defense. To him a million taxpayer dollars is still a great deal of money.

I commend ED FOREMAN on his award, and I sincerely hope that he will continue to ask penetrating and thought-provoking questions that somehow or other always end up with the strong implication that we do not have an inexhaustible Treasury.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. MACGREGOR] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MACGREGOR. Mr. Speaker, I want to join today in commending the work of the gentleman from Texas, Congressman ED FOREMAN. At the age of 31 ED has made a mark for himself that promises to lead him to an extremely distinguished career. His name will be heard from in the future.

With active service in the U.S. Navy as a foundation ED has made a real contribution in the House of Representatives as a member of the Armed Services Committee. Because of his background in business, in public service, and active work in his church, ED understands the forces which make our system work, and knows that the Federal Government serves the public interest not by assuming the mantle of management but rather by stimulating the will, the energy, the capacity and the imagination of individuals and of local and State government.

ED FOREMAN was elected to Congress on his first effort. I extend to him my congratulations on being named one of 1963's 10 outstanding young men of America by the U.S. Junior Chamber of Commerce.

I join in my gratitude and pleasure in working with him in the House of Representatives for sound, responsible government.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. BROYHILL] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BROYHILL of Virginia. Mr. Speaker, it is always a proud moment for us in the Congress when one of our Members is selected for any high honor. It is particularly rewarding, however, when the selection is—in terms of age—our most junior Member.

In the short time that ED FOREMAN has been with us, he has proven beyond any doubt the trust that the people in west Texas have placed in him. He has shown qualities of leadership that mark him as a man to watch in the years to come. The junior chamber made the right choice when they selected him as one of the outstanding young men of 1963.

His background speaks for itself. Coming from a modest home, he worked his way through college and was graduated with honors. He has been successful in business and active in community and State affairs. He has been singled out on several occasions in the past and recognized for his qualities of leadership.

His work as a freshman member of the House Armed Services Committee has been outstanding. His diligence in scrutinizing a defense appropriations request for Army helicopters resulted in savings to the Government of over $5 million.

It is young men like ED FOREMAN who keep us from being discouraged when the going gets rough. I am thankful, both as a Member of Congress and a member of the Republican Party, that he is with us.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. CRAMER. Mr. Speaker, I am happy to join my colleagues today in an expression of appreciation to ED FOREMAN for the outstanding job he has done and continues to do in Congress.

I would also like to take this opportunity to congratulate ED for being named one of 1963's 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

Congressman FOREMAN, the youngest Member of the 88th Congress, has proven himself to be one of the true champions of individual liberty, fiscal responsibility and the free enterprise system.

Throughout this Congress, in his committee work and on the floor of the House, ED FOREMAN has made a real contribution to his country. He is an outstanding American and I look forward to serving with him for many years to come.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Illnois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I am most happy to join my colleagues this afternoon in paying tribute to ED FOREMAN, the youngest Member of this body, who has done such an outstanding job in his first term in the House, and who has been selected as one of the 10 outstanding young men of 1963 by the U.S. Junior Chamber of Commerce.

This award, which ED so richly deserves, does not come as a complete surprise to us, however, since he has received similar awards for outstanding service in the past. In 1960, he was named the outstanding young man of Odessa, Tex., and received the Jaycee Distinguished Service Award. In 1962, he was named one of the five outstanding young men of Texas. It is only natural, therefore, that he should now receive recognition at the national level for his splendid public service and record of achievement.

I congratulate ED on the excellent record he has made, and I am sure I express the sentiments not only of the Members of the House but also of the people of the 16th District of Texas whom he so ably represents, in wishing him continued success in all his endeavors.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KILBURN] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. KILBURN. Mr. Speaker, I am glad that the gentleman from Texas [Mr. FOREMAN] has been recognized as one of 1963's 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

ED FOREMAN is one of the newer Members here and has done a remarkably good job in representing his district and his State. It is always pleasing to see a young man come to the Congress and make good.

I congratulate the junior chamber of commerce for their good judgment in selecting ED FOREMAN.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HOSMER. Mr. Speaker, our distinguished and youngest colleague, the gentleman from Texas [ED FOREMAN], in the short time he has been with us has proved himself to be a credit to those whom he represents in Congress, to the Republican Party and to the rising generation of which he is a part.

ED FOREMAN, during his first term in the House, has steadfastly worked for the preservation of our American way of life under our system of free enterprise. He has stanchly opposed the proposals of those who would make an all-powerful Central Government in Washington the master rather than the servant of the people.

Young Americans have a greater stake in the survival of freedom in our beloved country and in the world than any other group in the Nation. They would do well to study and emulate the efforts and record of one from their own ranks, ED FOREMAN, in striving to assure their generation of a strong and a free America throughout their lifetimes.

It is with real pleasure that I congratulate ED FOREMAN on the honor which has been accorded him and the U.S. Junior Chamber of Commerce on its wisdom in selecting him as one of 1963's 10 outstanding young men of America.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. PIRNIE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. PIRNIE. Mr. Speaker, it is with deep pride and satisfaction that we have learned that our colleague, the gentleman from Texas, ED FOREMAN, has been selected by the junior chamber of commerce as 1 of the 10 outstanding young men in America for the year 1963. Particularly it is significant to note that the service upon which this honor is based was rendered as a Member of this body. We like to feel that the many responsibilities of a Representative in Congress, if well discharged, constitute a worthy contribution to our Nation but it is reassuring when it is accepted as justification for an award of this distinction. It will focus attention on public service as a field in which young men are welcomed and one in which they can achieve much.

ED FOREMAN is an able and conscientious member of the Armed Services Committee, upon which I am privileged to serve. Therefore, I have observed at close range the high qualities of mind and purpose which this award recognizes. I recall that our colleague early demonstrated his concern over the high level of Government spending at one of his first sessions at which expenditures were being authorized. We had acted rather quickly to approve the purchase of some helicopters at a cost of several millions of dollars. Months have now passed and ED FOREMAN is not as shocked by such figures now but he still retains his zeal to check excessive spending at all junctures. He is a sincere, hard working public servant. This honor which he has received serves to express appreciation for the early interest of a most capable young man in the welfare of his Nation and his concern for its future. I sincerely hope it will also inspire others to follow his example.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MCLOSKEY] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MCLOSKEY. Mr. Speaker, to be named 1 of the 10 outstanding men in America is a significant honor and I am pleased to join with many others in complimenting the distinguished young man from Texas, the Honorable ED FOREMAN.

Representative FOREMAN came to Congress the same time as I, being the youngest man elected to the 88th Congress. This in itself was a major achievement and since joining this illustrious body has proved to be a tireless worker for sound economy and fiscal responsibility.

An enthusiastic advocate of constitutional government he is very zealous in fighting for old-fashioned American principles. While his aggressiveness in furthering the cause in which he so strongly believes may at times irritate those whose philosophy radically differs from his, I for one admire his youthful enthusiasm.

In recognizing his ability and talents the U.S. Junior Chamber of Commerce has chosen him as one of 1963's 10 outstanding young men in America. This is indeed a well-earned honor.

I consider him one of my close personal friends and trust the good people of his district in Texas will see fit to return him to the Halls of Congress for many more years.

Congratulations ED—It is my wish that the future years are good to you.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MORSE. Mr. Speaker, I am happy to join my colleagues today in congratulating ED FOREMAN on his recent designation as 1 of the 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

Congressman FOREMAN has made an outstanding impression in his first term in the House and his forthrightness and energy command our respect, I know that this fine award augurs well for ED's future.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DAGUE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. DAGUE. Mr. Speaker, a doubting Nathaniel when being led to the Nazarene by his friend Philip voiced the plaintiff query, "Can anything good come out of Nazareth?" In the light of recent happenings there are some who might entertain similar doubts toward the Lone Star State although we in the Congress will always insist that Texas has furnished her full complement of dedicated legislators.

When the 88th Congress convened in January of 1963 all of us on our side of the aisle were made aware that something new and vital had been added, that our ranks had been augmented by a dynamic and fearless champion of Republican philosophy in the person of ED FOREMAN.

This advocate of the basic responsibility of the citizen to his government found a warm welcome with conservatives like myself who have consistently decried the profligate spending of the liberals who do not now have, and who never have had, the least concern for the financial stability of the Nation.

This fearless defender of the free enterprise system draws on his own business experience and has long enjoyed the favor of the junior chamber of commerce of his home State who have given him their Distinguished Service Award and named him an outstanding young man of Texas. To that enviable accolade has now been added the honor conferred upon him by the U.S. Junior Chamber of Commerce, whereby he has been designated 1 of the 10 outstanding young men of America for 1963.

As an admirer of the Jaycees I have always been ready to accept their evaluation of men and issues. In ED FOREMAN, however, they are simply reechoing the judgment of everyone who has come to know this great American and I am sure that he will continue to justify the faith of his colleagues of the Congress and his admirers throughout the land.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Kentucky [Mr. SILER] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SILER. Mr. Speaker, I would like to join with my colleagues in paying tribute to a courageous and forthright

man, one of our more recent Members, the man from Texas, Congressman ED FOREMAN.

He has already made a name for himself and a place for his talent, even though his period of service has been brief. We have learned to admire and respect this fine young Member because of his deep patriotism, his reverence for the Constitution, and his unwillingness to trade principle for expediency.

ED FOREMAN is an outstanding man and I predict long and successful years of service out there on the road ahead. We appreciate him and salute him as he starts off on his 2d year in this 88th Congress.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, I am sure it comes as no surprise to his neighbors in Odessa and the other good people of Texas that ED FOREMAN has been selected as 1 of the 10 outstanding young men in America for 1963 by the U.S. Junior Chamber of Commerce.

ED FOREMAN already had made a considerable mark before coming to Congress in January of 1963. Back home he was named the outstanding young man of Odessa for 1960. He won the Jaycee Distinguished Service Award. And in 1962 he was chosen one of the five outstanding young men of Texas.

ED is a graduate engineer and has achieved success in the business world. He still has found time to engage in the activities of many professional and civic organizations.

This new and highly merited honor for ED FOREMAN comes as no surprise to his colleagues in the House, either. At 30, ED is the youngest Member of the U.S. House of Representatives, and in the brief time since taking the oath of office he has distinguished himself as Representative in Congress of the 600,000 residents of the 16th District of Texas. ED's firm stand for constitutional government in all its original meaning has marked him as a man of principle and a public servant dedicated to what is truly best for his constituents and for all Americans.

We who know and work with ED FOREMAN know also how deserving he is of this honor. In extending congratulations to him, I am mindful that his wife, Barbara, and children Preston and Rebecca, rightly share in the tributes being paid to their husband and dad. The U.S. Junior Chamber of Commerce rates a salute, too, for its discerning choice of ED FOREMAN as one of America's outstanding young men.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska [Mr. BEERMANN] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. BEERMANN. Mr. Speaker, I, too, would like to say a word in tribute to my colleague and friend, Congressman EDGAR (ED) F. FOREMAN, on the occasion of his selection as 1 of the 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

Of course, I want to congratulate my young and esteemed colleague on this latest honor, but I want to point out that it only goes to confirm others given him earlier in his career, the most notable of which was a selection as one of the five outstanding young men of Texas in 1962.

Frankly, Mr. Speaker, I am most impressed by my colleague's progress as a Representative of the 16th Texas District. In conversation I find him extremely well informed and articulate. The way he discharges his responsibility to the House Committee on Armed Services has won my admiration and I am pleased to note the speed with which he is able to get rid of the chaff, to concentrate on the kernel, in most general legislation the House considers.

Most of all, Mr. Speaker, I would like to compliment my colleague for the love he bears the United States and the zeal with which he pursues its best interest. I note from his biography that he has spent some time in the U.S. Navy and the Naval Reserve. Therefore, he knows firsthand the terrific price we have paid in lives and money to preserve our independence. That is probaby why he has frequently spoken out when this independence is threatened and I commend him for it.

I wish him every success in a continued career as a Texas Congressman. May the people of the district he represents return him to Congress for many years to come.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentleman from Kansas [Mr. DOLE] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. DOLE. Mr. Speaker, I wish to join my colleagues in paying this well-deserved tribute to our friend and colleague, ED FOREMAN. The recognition he has received from the U.S. Junior Chamber of Commerce as one of America's 10 outstanding men for 1963 speaks well of him, and this honor could not have been conferred on one more deserving.

ED has held firmly to those beliefs and ideals held high by our Founding Fathers and American patriots. They held the idea that all men were endowed by their creator with divinely given rights which must not be taken away by man—and that if government was to have any major responsibility to the governed, it was the protection of these rights and liberties. This was their concern and they proceeded to build within the framework of our Government body a system of checks and balances designed to protect our citizens against the possibility of a government which might in time grow too centralized and too arbitrary in the use of its power.

But who speaks for liberty today? Well, thank God we do have Americans in growing numbers who are picking up the torch of freedom and holding it aloft to inspire others. Among them are many of the leading young men such as ED FOREMAN who have the conviction that liberty in order to be preserved requires a certain amount of vigilance and sacrifice.

Again, I say it is an honor to join with my colleagues in paying tribute to Congressman FOREMAN, and to praise him for his work in the interests of preserving the great American heritage.

Mr. BOB WILSON. Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington [Mrs. MAY] may extend her remarks at this point in the RECORD.

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

There was no objection.

Mrs. MAY. Mr. Speaker, I am happy to join in these tributes to ED FOREMAN on the occasion of his selection as 1 of the 10 outstanding young men in the Nation for 1963.

I do not claim to be much of an authority on Texas, but I would like to make one observation—the ranchers of west Texas certainly know how to pick a FOREMAN.

ED FOREMAN is the youngest Member of the 88th Congress and, as we recall the records of longevity that Texas Members have rolled up here in the past, we can expect truly great things from this young Congressman.

Here is a young man who worked his way through New Mexico State University and was graduated with honors as a civil engineer. He is a former businessman, a veteran of the U.S. Navy, a leader in his community and his State. He is the kind of person with whom we are proud to be associated.

The award for which the junior chamber of commerce has chosen him is not his first. He was picked as the outstanding young man of Odessa, Tex., in 1960. He has been given the junior chamber's distinguished service award. He was named one of the five outstanding young men in Texas for the year 1962.

Since coming to Washington, ED FOREMAN has distinguished himself as a freshman Member of the 88th Congress. His constituents must be very proud of him. We are.

Mr. WYMAN. I thank the gentleman from Missouri, and I yield to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I want to join my colleagues in congratulating our good friend, ED FOREMAN, on winning this award. It is indeed a high honor to be selected as 1 of the 10 outstanding young men of the United States by the United States Junior Chamber of Commerce. I know this award was richly deserved. In winning this award, ED not only brought distinction to himself, but he also brought great honor and recognition to the House of Representatives. As has been mentioned there has been some criticism of Congress and its Members. It is refreshing to see one of the younger Members of Congress, both in point of age and years of service, selected for this outstanding award. We are proud to have 1 of the 10 out-

standing young men of the entire United States as a Member of this House. It indicates that Congress is attracting some of the finest material in this country, young men who are interested in preserving our great American ideals and constitutional heritage. The fact that ED FOREMAN selected a political career to serve his country proves that he loves his country and I am sure ED's career will be a challenge and an inspiration to many young men over this country, some who are still in school, to also seek public office and emulate his great achievements.

I want to wish ED FOREMAN continued success in all he undertakes. It has been a great privilege to serve with him in this House, and I have enjoyed my association with him. He is forthright, genial, energetic, and friendly. I consider him one of the most capable and vigorous Members of the House.

Mr. WYMAN. Mr. Speaker, I thank the gentleman from Colorado.

I yield to the gentleman from Tennessee [Mr. BROCK].

Mr. BROCK. Mr. Speaker, I would like to join with my colleagues in paying tribute not only to ED FOREMAN but perhaps equally as much to the Jaycees for their ability to see leadership in a young man. I think perhaps one of the greatest experiences of my life occurred when I joined the junior chamber of commerce and learned their creed. I say that because if there is any one statement that captures the faith which is epitomized in America, it is that document.

When you look at ED FOREMAN you see typified every expression of faith in the creed; a belief in God, a belief in the brotherhood of man, a belief in economic justice and in free enterprise, a belief in freemen, a belief in human personality, and a belief in service to humanity.

I think the Jaycees perhaps more than any other single group typify a belief in people, a belief in the individual as part and parcel of the greatness of America.

This is why I think it particularly fitting that we pay honor to ED FOREMAN today for receiving an award which is specifically an honor to an individual for personal performance, performance based upon a belief not only in this country but in the people who make it up. Such individuals constitute the greatness that is America.

Mr. Speaker, I congratulate ED FOREMAN, and I congratulate the Jaycees for their wisdom and judgment.

Mr. WYMAN. Mr. Speaker, I thank the gentleman. I now yield to the gentleman from California [Mr. CLAWSON].

Mr. DEL CLAWSON. Mr. Speaker, it is a personal privilege for me to be identified with my colleagues who have joined in recognition of ED FOREMAN and the award of achievement which has been received by him from the junior chamber of commerce. When I first came to Congress a few months ago, in the middle of the session, it was natural to evaluate some of the men with whom I was going to be associated. I seemed to have an affinity for some of these men. ED was among that group. It has been a privilege to join with him and enjoy his company on a number of occasions.

Mr. Speaker, I appreciate his sincerity and his dedication to the principles of economy, which have already been mentioned. This man has been identified with the American heritage and I compliment him on the outstanding manner in which he has conducted himself. I have witnessed his reaction under tension and in stress situations which demanded calm and capable response. He faced the responsibility admirably. His keen sense of humor which has been demonstrated on a number of occasions is especially enjoyed as well as his constancy of purpose. His dedication to this House and to the principles for which it stands deserves a long record of service.

Mr. Speaker, it is a privilege to be associated with men of this caliber in the Congress, and I am happy to join my colleagues in paying a tribute to ED FOREMAN.

Mr. WYMAN. Mr. Speaker, I thank the gentleman. I yield to the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL of North Carolina. Mr. Speaker, I join my colleagues in extending congratulations to our colleague from Texas, ED FOREMAN. Certainly, he has been given an honor that is well earned and well deserved. Not only that, but it carries on a tradition that is as old as the country itself—young men taking part in the leadership of this great country and in its councils at all levels.

Those who are interested may look at the age of those who took part in the signing of the Declaration of Independence and who took part in the forming of our great Constitution, and they will see that many of these men were young men, some even younger than ED FOREMAN.

I believe we should be mindful of this great tradition as we encourage young men with vigor and imagination to assert the qualities of leadership with which they are endowed. ED FOREMAN possesses those qualities in great abundance and I am pleased that they have been recognized in this award for achievement and service.

Since we met here a year ago, it has been my privilege to work closely with ED in matters of mutual interest and concern. I have come to know him well, to value his friendship, and to respect the many-sided abilities that he possesses. His dedication to principles and his willingness to work unceasingly for what he believes is right is an outstanding attribute of ED FOREMAN. Those who know him best are grateful to the people of his district in the great State of Texas for sending him to the Nation's capital to represent their interests in dealing with the problems that beset our Nation. That confidence of his fellow Texans is now shared by a widening circle of those in Washington who know and work with ED.

A very wise man once said that each one of us should be interested in the future, because that is where we will spend the rest of our lives. ED FOREMAN, I know, holds to this philosophy. What this country is to become and the preservation of liberties derived from our heritage as well as the projection of these liberties into a better tomorrow are his deep concern. He has already achieved a high order of public service. I am confident that what he has achieved is only the beginning of a distinguished career that will be marked by greater service to his State and to his fellow Americans.

Mr. WYMAN. I thank the gentleman. Not too many people realize that Congressmen represent anywhere from 275,000 to more than a half-million people. I venture to say that many of us would like to have had our constituents send us here at the age of 30 years. I would like to be only 30 years here in the House.

Mr. Speaker, I now yield to the gentleman from Maine [Mr. MCINTIRE].

Mr. MCINTIRE. Mr. Speaker, I am delighted to have this opportunity to join with my colleagues in the House in bringing to ED FOREMAN the warmest congratulations from away up in the northeast corner of the United States to the resident of the great State of Texas. The work of the Jaycees has already been mentioned, but recently in each of our several States this great organization has recognized in my State three outstanding young men, and indeed they were outstanding. As I look over the work of these young men and see what they have done it gives me a fuller appreciation of the tremendous qualifications that are required for this recognition as 1 of the 10 outstanding young men of our country.

The record that we have observed of ED FOREMAN as a Representative of his district in the short time he has been among us as a colleague has given us full appreciation that this recognition is well grounded, that in his private life as well as in his public life he has measured up to the high standards of high citizenship and high responsibility.

So I am delighted that we do have this opportunity to make a matter of official record our very high regard for the gentleman from Texas [Mr. FOREMAN].

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

Mr. WYMAN. I yield to the gentleman from Michigan.

Mr. GRIFFIN. Mr. Speaker, I, too, want to take this opportunity to associate myself with my colleagues of the House in congratulating our good friend, ED FOREMAN, on this high honor which has been paid to him by a great organization. Having been a member of the Jaycees myself, I realize what a great honor this is. He has demonstrated in the House over and over again, although his service has been relatively short, that he has both great ability and great courage, and all of us respect and admire him, and congratulate him today on this great honor. I am glad to join in this tribute.

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

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

Mr. UTT. I want to associate myself with these complimentary remarks of my colleagues and to pay my highest respects and regards to ED FOREMAN as one of the outstanding Members of the Congress and one of the outstanding citizens of the United States. I hope he will continue in the future with great success, and that he will be an inspiration to other young men throughout the country to enter politics and dedicate themselves to the great service of America.

Mr. WYMAN. I thank the gentleman.

I now yield to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Speaker, I thank the gentleman for recognizing me to join with my colleagues. Since I can speak for Texas, and the Texas Republican delegation, I certainly want to relate my remarks to those made by a colleague on the other side, the gentleman from Texas [Mr. FISHER] when he, too, complimented our colleague, ED FOREMAN.

Senator JOHN TOWER was followed to Congress by ED FOREMAN. So we are now a delegation of three. I have the distinction of being the dean of that delegation, and I can tell you what a wonderful thing it is for me to have a man on this side of the aisle of the caliber of ED FOREMAN.

I should remind my colleagues that in the darkest hours of this country within my memory, when we in Dallas were subjected to some of the most difficult abuse because of the murder of the President by a self-avowed Communist, while we in Dallas were giving the warmest of welcomes to our President, there was one man who came to the defense of our community, to assure me that the world had not come to an end. We in Dallas were powerless to stop it when these most liberal pundits damned us. But one man, ED FOREMAN, spoke up for many, and certainly for himself, at a time when we in Dallas needed it badly. He did not hesitate to air his views when condemnation was heaped upon us by some of the columnists who have since had to withdraw their statements. I want to say about ED FOREMAN that he has always lived up to the courage he manifested then, and to all the fine principles for which he stands.

If, indeed, U.S. sovereignty—the capitalistic form of society, the republican form of government—is to continue to exist, it will be because ED FOREMAN and men like him, who have not forgotten the first principles that made this country what it is today. Some of us are prone to forget where the road leads when we adopt more and more spending, more and more control. But not ED. He feels the individual, the family unit, the State, should do those things that we can best do for ourselves, and the Federal Government should do only those things which the people at the local level are unable to do.

ED, I join with my colleagues to tell you how much we, your colleagues in this body and the people of Texas, think of you. This honor that has been accorded you is only one of many to come.

To you and to Barbara and to your lovely children go my best wishes for prosperity and happiness in the years ahead.

I congratulate you on the stand which you have taken, for a Republic within a democracy, which is the basis of our system. and through which freemen the world over will survive in the years to come, if they will survive, under the leadership of the United States.

So, ED, that is a little heavy. I know you must be embarrassed with this type of accolade, but if we are to give flowers to people while they are living, I hope you will take it in that same feeling felt in the eulogies extended on this floor to you while I am beside you, man to man and eye to eye. I am happy to be here today, ED.

Mr. WYMAN. Mr. Speaker, I think it is a real tribute to any Member that so many outstanding Members of Congress on both sides of the aisle join together in such a tribute, particularly to a new Member. We are all proud of ED FOREMAN, who has worked so diligently, so capably, and so sincerely for a strong and sound and secure America.

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members wishing to join in commending our colleague from Texas may have 5 legislative days to extend their remarks at this point in the RECORD.

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

There was no objection.

Mr. SCHNEEBELI. Mr. Speaker, during the relatively short time that our friend and colleague, ED FOREMAN, has been a Member of the House of Representatives, it has been apparent that he is a young man of unusual ability and character. I am therefore not at all surprised that he has been chosen by the U.S. Junior Chamber of Commerce as one of 1963's 10 outstanding young men in America, and I am delighted that the very effective work he has been doing in the Congress has been so recognized.

Prior to his election to Congress, ED FOREMAN was active in civic affairs and in business, and those same qualities which so favorably impressed his associates in his home community and State, have enabled him to render outstanding service as a Member of this legislative body. He is another example of the businessman whose capabilities demonstrated in the business field have brought him equal success in meeting the challenges of a political career. I congratulate him on his achievements, in which his constituents and fellow Texans may well take pride, and for the well-deserved honor which the Jaycees have bestowed upon him.

Mr. TALCOTT. Mr. Speaker, I am pleased to join with my fellow Representatives in paying tribute to our colleague from Texas who has recently been selected as 1 of the 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

ED FOREMAN has distinguished himself many times in his service to local, State, and National Government. He has given unselfishly. His reward has always been the success of his endeavor. Being named the Outstanding Young Man of Odessa in 1960, the recipient of the Jaycee Distinguished Service Award, one of the five outstanding young men of Texas for 1962, and now this national acclaim, all attest to ED FOREMAN'S abilities.

ED FOREMAN'S record is proof positive that diligence, perseverance, and just plain old-fashioned hard work—Texas style—produce results. To future generations seeking modes and patterns to follow, I would commend ED'S formula for success.

Also, the caliber and extent of his accomplishments indicate that he has valuable and constant assistance from his wife and teammate. I also commend Barbara.

"Selfless, sustained service to others" seems to have been his key to solid, worthwhile accomplishments.

Mr. LIPSCOMB. Mr. Speaker, it is a pleasure to join in extending congratulations to our colleague, ED FOREMAN, for the fine honor that has been bestowed upon him.

Being named 1 of 1963's 10 outstanding young men in America by the U.S. Junior Chamber of Commerce represents another laurel that has been added to his already distinguished record of achievements.

Even though he is serving only his first term in Congress, ED FOREMAN has demonstrated that he is an effective spokesman and worker for the cause of responsible government.

The junior chamber of commerce award is a fitting tribute to his abilities and dedication.

Mr. BROTZMAN. Mr. Speaker, it is a pleasure to add my name to those congratulating the gentleman from Texas [Mr. FOREMAN] on his selection as one of 1963's 10 outstanding young men in America. The U.S. Junior Chamber of Commerce made a wise selection in according this honor to our colleague.

I have had the opportunity of working with this fine representative as fellow officers of the 88th Club, the Republican freshman Congressmen. He has been a valuable member of this organization, adding the weight of his enthusiasm and energy to our group.

I have also watched him on the floor of the House of Representatives. He is dedicated beyond doubt and sincere beyond question in supporting causes he feels so deeply.

As a former member of the junior chamber of commerce and one who was fortunate to be accorded their Distinguished Service Award, I know how much this recognition means to ED FOREMAN, and I am proud to add my words of congratulations.

Mr. BELCHER. Mr. Speaker, any student of American history knows that our Nation's very claim to freedom and prosperity is established upon the courage and commonsense expressed by our forefathers—priceless qualities which carried a people through a revolution and a civil war; over wild, uninhabited territories; into States; and into a union of States, founded upon a constitution guaranteeing freedom, individual and States rights.

The student knows, too, that in spite of all the strength of thought manifested by our Jeffersons and our Lincolns, we, the people, have gradually allowed an erosion of our "claim." We have allowed the "top soil"—the "good earth"—of our claim to slip away through careless cultivation, ignorance, and, in many cases, selfishness.

Perhaps for this reason alone, I can humbly stand here and thank God for such young, levelheaded thinkers as the gentleman from Texas, EDGAR FRANKLIN FOREMAN. Here is a breath of fresh air to purify the atmosphere; a chemicalization of thought to revitalize the barren ground and raise up a fruitful harvest of economic balance and protected individual and States rights.

Here, indeed, is a route our younger generation can faithfully follow for a return to true Americanism. And the trailblazer is recognized for his value, for he has already been honored by his hometown of Odessa and his great State of Texas; and now the U.S. Junior Chamber of Commerce. ED FOREMAN has received his "just due"—he has been named as one of 1963's 10 outstanding young men in America.

All I can say at this time is, is it any wonder? I think not. I think a free and Christian people are awakening, and faintly hearing the "voice in the wilderness," are responding to the call. I believe that with the bringing forth of dedicated young leaders such as Congressman ED FOREMAN, our children may see "fields white to harvest."

Congratulations to ED FOREMAN for his achievements, and thanks to ED FOREMAN for his courage and commonsense.

Mr. DEROUNIAN. Mr. Speaker, ED FOREMAN has a remarkable record of accomplishment. He was named the outstanding young man of Odessa, Tex., and received the Jaycee Distinguished Service Award in 1960, was named one of the five outstanding young men of Texas for 1962, and is now recognized as one of 1963's 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

ED's abilities and effectiveness, recognized by industry, have made their mark in the House of Representatives, and if a vote were to be taken on the floor of this House, now, I am sure it would be made known that we, too, consider him one of the outstanding young men in Congress. He has certainly shown us that he has the courage of his convictions. My congratulations to ED FOREMAN for this recognition of his untiring efforts.

Mr. McDADE. Mr. Speaker, when the 88th Congress convened in January of 1963, there was no question but that the eyes of everyone were on Texas, which had sent to Congress a splendid Republican Congressman who was also the youngest Member of this body.

I would not attempt to give the total number of young men in America who might have been nominated to be chosen as one of the 10 most outstanding in the country, but I would estimate the odds must run close to 300,000 to 1 against being finally selected. ED FOREMAN beat those odds.

He is eminently deserving of the honor.

ED is unquestionably one of the hardest working Congressmen in Washington. In a job that calls for long hours on the floor of Congress and in the congressional office, ED manages to put in more hours than most of his colleagues.

He is a man who works hard at legislation that will give America the same sound basis in economy and Government that made her great in the past, and that will insure her greatness in the future. He is from a district that long stands as one that worked to bring the greatness of America to Texas.

Fortunate is he to have as his constituents a body of strong American workers who believe in America's future. Fortunate are they who believe in the greatness of America that in their hard work they have such a FOREMAN.

Mr. RIEHLMAN. Mr. Speaker, it is a pleasure for me to add my voice to the others who are congratulating ED FOREMAN on his selection as one of the 10 most outstanding young men in America by the U.S. Junior Chamber of Commerce.

It is no surprise to me that this able and energetic young man should be named.

He came to Congress with a fine background and he made a mark early in Congress. This is unusual, that a freshman Congressman should become well-known and widely respected.

He always has the interest of his constituency and the country in mind. His actions are aimed at providing good, sound, representative government.

We need intelligent and capable men like ED FOREMAN in Congress and I sincerely hope he has the desire and the opportunity to serve many years.

Mrs. FRANCES P. BOLTON. Mr. Speaker, it is a pleasure to join in paying tribute to our colleague, Representative ED FOREMAN, of Texas, who has been named by the U.S. Junior Chamber of Commerce as one of 1963's 10 outstanding young men in America.

As a first-term Member of Congress, Representative FOREMAN has done a tremendous job on the Armed Services Committee and on the House floor. He has earned the respect of his colleagues for his dedicated, hard work. All Americans should be grateful for his efforts to obtain a dollar's worth of defense for every dollar spent of the taxpayer's money. I congratulate him on this well-deserved honor, and also congratulate the U.S. Junior Chamber of Commerce on their excellent selection.

Mr. GROSS. Mr. Speaker, I am pleased to have this opportunity to say a word in behalf of our colleague, the Honorable ED FOREMAN, of Texas, who has been signally honored as one of the 10 outstanding young men in America in 1963.

As a new Member of the House of Representatives, ED FOREMAN quickly demonstrated the capability and stanchness that has set him apart as an outstanding legislator.

The people of his congressional district in Texas can be proud of his record and the part this young man has played in the legislative process in the short time he has been in Washington.

Mr. BECKER. Mr. Speaker, I have had a very distinct pleasure from the very first day ED FOREMAN was sworn in as a Member of the House of Representatives, not only to welcome him as a Texan, as a Republican, and a Member of the House, but to extend to him my friendship. This friendship has been reciprocated a thousandfold. It did not take long for Congressman ED FOREMAN to make a host of friends among the Members and to very suddenly become aware of his dedication to sound fiscal government, to express the courage of his convictions and his readiness to devote himself to the great tasks before him.

ED's ability must have been known before he came to the Congress, because he was appointed to one of the most important committees of the House, the Armed Services Committee. Being a member of that committee myself, I know the great contribution he has made to the work and legislation that comes before us. He has conducted himself with dignity and as a gentleman at all times and, during some of the hottest of debate, handled himself with distinction and credit to his district and his State.

The people of the 16th Congressional District of Texas are to be complimented for the fine selection they have made and I am certain they will agree with me they made an excellent choice. They can also have full confidence that ED, at all times, will make his decisions, great and small, on the basis of what he believes to be right and just, for the good of his country, and not on political expediency. He is the kind of man we need here and I trust that God will be good to him, keep him and his family healthy and strong, and that he may serve here and in higher places in the years to come.

Mr. TAFT. Mr. Speaker, I would like to join my colleagues today in congratulating our friend from Texas, ED FOREMAN, on being named one of the 10 outstanding young men in America by the U.S. Junior Chamber of Commerce.

This is a great honor for one so young. However, his life, thus far, has been filled with equally outstanding achievements. Therefore, it is not surprising that ED has been such a success so early in his congressional career for, though

he is only 30 years old, he has attained the pinnacle of success in his every endeavor.

ED, a farm boy, worked his way through school and graduated at the top of his class. And then entering business he immediately prospered due to his hard work, imaginative solutions, and individual independence. During these active business years he did not neglect his responsibility to his community and, in fact, his hard work and dedicated service caused him to be the recipient of many community awards, including being named one of the five outstanding young men of Texas just 2 years ago.

We in Congress know ED as an articulate spokesman for sound and conservative, but responsible Government. His membership on the important Armed Services Committee has given this unusual young man an excellent post in which to demonstrate his outstanding abilities, and as we would expect, he has already made a remarkable record. This committee assignment has permitted him to continue to work for individual liberty by attempting to reduce Federal control. It is a rare Congressman who turns down Federal money for his own district, but let us hope that we will see more Ed Foremans in the future who talk and practice this kind of economy in Government.

The junior chamber of commerce has presented this award to ED FOREMAN because of his outstanding service to his community and the Nation. However, let us remember that he has just begun what will be, I am sure, a long and ever increasingly effective career as a public servant. In the years ahead we will expect even more of this man and, knowing of his habit for success, I am confident that the Nation will not be disappointed.

Mr. JOHNSON of Pennsylvania. Mr. Speaker. many fine and capable men and women are now serving their districts as Members of the 88th Congress. No finer, abler, and personable person is now a Member of this Congress than EDGAR FRANKLIN FOREMAN, of Odessa, Tex.

It does not seem possible that a person only 30 years of age could in such a short period of time achieve so much and obtain such outstanding recognition as Congressman FOREMAN has. When one meets this young man and talks with him and has the pleasure of serving with him, it it easy to understand why he has received such outstanding honors and such sensational success. When you meet him he greets you with such a genuine and warm greet ng that you cannot help but say to yourself that here is a wonderful man.

ED is loved, honored, respected, and looked up to by all Members of the Congress and the citizens of the 16th District of Texas are to be congratulated for having the wisdom and good judgment to send this exceptional man here to represent them.

When I first came to Congress on November 27, 1963, nobody could have been finer and more gracious and kind to me than was ED FOREMAN.

That is the way he does things and he is to be congratulated upon this outstanding honor.

Mr. MORTON. Mr. Speaker, the gentleman from Texas, ED FOREMAN, has his office directly across the hall from mine. I have come to know him well and derive great satisfaction from working with him in the Congress. ED's dynamic drive, his persistent adherence to duty and devotion to principle, number him among the leaders of our time. I am proud to associate myself with the remarks of my distinguished colleagues and add sincerest congratulations to the U.S. Junior Chamber of Commerce for selecting ED one of the 10 outstanding young men of the year.

Mr. ARENDS. Mr. Speaker, I wish to take this opportunity to extend to our distinguished colleague, ED FOREMAN, my personal congratulations upon his being named by the U.S. Junior Chamber of Commerce as one of the 10 outstanding young men in the country.

Knowing him as we do from the contribution he has been making during his first term of service in the Congress, that this honor should be bestowed upon him is no surprise. His work as a Representative from the State of Texas has been outstanding.

As the senior Republican member in service on the Armed Services Committee, I am able to testify to the superior performance—truly outstanding—of our most junior member of the committee, both in years and in service. From his grasp of the various defense problems, however, he is by no means nor in any respect a junior. He has demonstrated an understanding and a maturity of judgment in Armed Services Committee matters just as he demonstrated in all his undertakings before coming to Congress. We are certainly glad to have him on our committee.

ED FOREMAN was named one of America's outstanding young men not because he was one of the youngest men elected to Congress. Nor was he selected for this honor because of his unusual success in business before coming to Congress. This honor has come to him because of the kind of a man he is, because of his ability and his character. His success in business and in public life merely bespeaks the quality of ED FOREMAN.

He is one of the best in all respects. He is outstanding in all respects. And I am sure the fine people he represents appreciate the high-quality representation he has given them.

Mr. PHILBIN. Mr. Speaker, I gladly take this opportunity of joining with my colleagues in heartily congratulating my able and distinguished friend and colleague of the House Armed Services Committee, Congressman ED FOREMAN, upon his designation by the U.S. Junior Chamber of Commerce as one of the 10 outstanding young men in America for 1963.

To be named one of the 10 outstanding young men of America by a great nationwide business organization is certainly a great tribute and honor of which ED, his family, and friends may well be proud.

I wish for ED and his dear ones continued good health, well-being, and happiness in the time to come.

Mr. CLEVELAND. Mr. Speaker, as a fellow freshman Member of the 88th Congress, it is a pleasure to congratulate my colleague Representative ED FOREMAN, of Texas, who recently was selected one of the 10 outstanding young men in America by the U.S. Junior Chamber of Commerce. In both business and politics ED FOREMAN is an outstanding and successful self-made man. There is always a need for forthright and articulate expression of opinion. As the youngest Member of the 88th Congress, ED FOREMAN possesses these qualities and has used them well. Known for being an outspoken defender of individual freedom, ED has taken an active and effective part on the Armed Services Committee. His hardworking energy stands as a fine example to the youth of our country at a time when there is a need for leadership in politics by energetic young men.

THE WAR AGAINST POVERTY

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. WELTNER] is recognized for 30 minutes.

Mr. WELTNER. Mr. Speaker, ours is the wealthiest Nation in the world. Last year, the gross national product reached a new high of $600 billion. Personal income and corporate profits realized dramatic gains. By all forecasts, 1964 should be another good year. Profits, income, savings, production, and standards of living will rise another notch.

What accounts for America's wealth? It is undeniably the mind and the will of her people. It is the drive and determination to find a better way, and to call forth the resources of the land. America's wealth is her people. To the extent their talents are utilized, the Nation prospers. And to the extent human resources go undeveloped, America falls short of her potential.

Mr. Speaker, a realistic examination of human resources shows that America has not met her full potential. In the United States, 9 3 million families have a total annual income of less than $3,000 a year. This is one-fifth of the total number of families—one out of every five American citizens. The income of over 2½ million families in the United States is less than $1,000—not even so much as $20 a week.

It might be argued that an income of $3,000 is more than a pauper's lot. Yet, no one can seriously contend that $20 per week can adequately supply the needs of an entire family. Here are 2½ million families at the bottom of the heap, unable to subsist without the aid of others. Here is the great mass at the bottom of society.

These facts cast a pall over our glowing prosperity. Here in America is the age-old paradox of poverty in the midst

of plenty. And here, in these people, are the very resources that make a mighty nation—resources yet uncultivated and undeveloped.

Now, some simply refuse to acknowledge the mass at the bottom as reality. In their lives, everyone is well employed, well housed, and well fed. Some, born to educational and cultural opportunities, easily dismiss the matter by counting the ills of the poor as of their own devising. In truth, it may be as Fielding put it:

> The sufferings of the poor are indeed less observed than their misdeeds.

And some, despairing of magnitude and complexity, are content to say, "The poor ye have with you always."

But the facts are here. They are not meaningless and irrelevant figures and percentages. They reflect human need, human hunger, and human heartbreak. And I believe every Member of Congress has a duty to address himself and his talents to this problem.

We labor under a moral duty to do so. No one can walk through a slum, or smell the stench of poverty, or look into the eyes of the hopeless without sensing that duty. No one can heed the preachments of the selfish and the wealth-centered when he has seen those dull and lifeless faces. No one can take his ease amid the good life when he envisions that weary cycle of dependency—generation after generation born in poverty, reared in poverty, reproducing in poverty, and dying in poverty.

The mass at the bottom is without political structure, without the means of making their voices heard, and without economic persuasion. They stand virtually voiceless amid the competing clamor of sophisticated interests. While their need is greatest, they are the least effective. It is unto the least of these—our brethren—that we should minister.

Then, Mr. Speaker, I believe we have a political duty. This is a Nation based upon the concept that men are created free and equal. Yet, this formless mass is not free or equal. They are not free from the soul-crushing burden of poverty, nor equal to the great opportunities of the Republic.

Certainly, the existence and increase of the welfare class is far removed from the fond vision of our Founding Fathers. Thomas Jefferson wrote that in America "the poorest laborer stood on equal ground with the wealthiest millionaire." Most assuredly, were he with us, today's poverty would dampen his justifiable pride in the making of the Republic.

Further, the plight of the mass at the bottom raises an economic duty. These men and women pay little or no taxes, develop little of our national resources, and contribute little to our gross national product. Indeed, far from contributors, they are recipients.

The welfare class—those dependent upon others—is a burden on all of society, penalizing, in measure, the successful to care for the inadequate. Its increase augurs ill for the future. Indeed, some might draw striking parallels with those ignoble days of Rome, when the masses at the bottom grew to such magnitude that a great empire fell.

I turn now closer to home—to the South, where the unpleasant truth of poverty is even more discouraging.

Almost half the families in the Southern sector are poor—with annual incomes of less than $3,000. This is twice the percentage of poor families in the North Central section; three times that of the Northeast; and, four times that of the West.

In nine Southeastern States there are 818,000 families with incomes of less than $20 per week. These States, with 17 percent of the population, have one-third of the families living on less than $20 per week.

All of us can point accusatory fingers, make excuses, and find scapegoats. We might condemn ruinous tariff policies of past Republican administrations. We could indict the freight rate discrimination that existed for decades. We could look back to the despoilation of the old Confederacy, and the tyranny of Reconstruction. But accuse and justify though we may, the facts yet remain.

As there exists a gap between the South and the rest of the Nation, there is also a gap—within the South—between the material well-being of white and Negro southerners.

Almost three of every four Negro families are in the "poor" category—less than $3,000 per year—382,000 Negro families live on less than $20 per week, accounting for 20 percent of Negroes in Georgia, 25 percent in Alabama, 33 percent in South Carolina, and 37 percent in Mississippi.

The median income of the Negro in Georgia is $927 per year, while that of the white Georgian is $2,470.

Unemployment among Negroes in the Georgia work force stands at 6 percent, compared to 3.7 percent for whites.

Why is there this wide divergence between Negro and white southerners? Why, through the accident of birth, is the Negro child consigned by probabilities to so much lower estate than his white contemporary?

The race-conscious Negro will have ready response—two centuries of slavery and one century of segregation; systematic exclusion; institutionalized discrimination; deliberate suppression of ability and talent.

And the race-conscious white is not without answer. The Negro—he says—was born to a way of life, and will remain there. The Negro, lacking education, skill, or ambition—he says—merits no better lot in life.

I do not stand before the House today and attempt to assign fault, or to examine the historical or psychological claims of others. Nor do I propose some quick cure-all for our ills. I say, very simply, that the facts are undeniable, and it behooves reasonable men to take account of them.

Here, among the poverty-stricken of the South, white and Negro, is an abundance of human resources—undeveloped and unproductive.

A maxim of mathematics holds that minus a minus is a plus. The mass at the bottom is assuredly a minus. But has anyone calculated the plus to be achieved by reversing its fortunes?

Last year, 185,000 Georgians drew welfare or public assistance of some sort. If each of these were earning the median income of white Georgians, $2,470 per year, our State's economy would be increased by almost half a billion dollars. If each of the 65,000 unemployed Georgians earned that median income, Georgia's total income would increase $160 million. If the 360,000 Negroes in Georgia who have jobs earned the median income of white employed, Georgia's economy would increase half a billion dollars.

Obviously, those families living on $20 a week cannot pay for the goods and services enjoyed by the average wage-earner. But what if they could?

Consumer needs in the South sustain over 7½ million nonagricultural jobs, notwithstanding the startling percentage of poor and poverty-stricken. If we could develop these resources, our people's newly derived purchasing power would easily call for more than one-half million new jobs.

Here is the great untapped resource of our Southland. Here are thousands of families—never before able to supply their needs and wants. Here are thousands of families who contribute little, but receive much. If we but reversed that, we would eliminate $500 million in welfare payments in the South from the Federal budget alone, and add millions in new Federal tax revenues.

Why is the South poor? Because of the Negro's poverty? If this is true—and one of every three southerners is Negro—then the South will remain poor for so long as the Negro remains at the bottom of the heap.

We in the South can follow the old ways—seeking ever to exclude the Negro from economic, educational, and social progress. We do so at the cost of an ever increasing welfare class, mounting hostility between the races, and continued wasting of human and material wealth.

Or, we can take a new departure. We can see every southerner—white or Negro—as a worthwhile citizen who can contribute something of value to the growth and well-being of our section.

Where before we sought to exclude him, we must now seek ways of bringing the Negro into a better life. Where before, we have been content with personal charity and individual kindness to the Negro, we must now recognize the dramatic need for bettering the lot of all the poor—white and Negro.

We southerners should strike palms and join in the war against poverty. We have more to gain in success, and more to lose in failure, than any other section.

Here is a challenge worthy of the finest minds and most dedicated spirits. In meeting that challenge, we will, truly, minister unto the least of these, our brethren.

Mr. RUMSFELD. 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. RUMSFELD. Mr. Speaker, I would like to compliment the gentleman from Georgia [Mr. WELTNER] on his contribution this evening. Certainly America's wealth is her people. In 1964 in all sections of this country we see evidence of our failure to assure to all Americans an opportunity to participate fully in our society. The words of the gentleman from Georgia obviously come from a depth of feeling, of understanding, and a compassion of his fellow man. His words are well chosen. I would like to suggest that, with men like the gentleman from Georgia speaking for his section of the country in the coming years, the future of the Negro in this Nation will most certainly be one of greater participation, as it should and must.

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

SUMMARY OF NET BUDGET RECEIPTS AND EXPENDITURES (THE TRADITIONAL ADMINISTRATIVE BUDGET)—6 MONTHS OF FISCAL 1964 VERSUS 6 MONTHS OF FISCAL 1963, WITH COMPARISONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a summary and certain tables for the month just passed.

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

There was no objection.

Mr. CANNON. Mr. Speaker, in conformity with practice, I include for the information of Members a tabulation of budget receipts and expenditures in the first half—to December 31—of fiscal year 1964 with pertinent comparisons.

BUDGET RECEIPTS

In contrast to budget expenditures which tend to recur more evenly throughout the fiscal year, the normal pattern of budget receipts shows September, December, March, and June as peak months; and receipts in the first half—July to December—of the fiscal year are usually lower than in the January–June second half.

Budget revenues for fiscal 1964 are now officially estimated by the President in the new budget at $88,400,000,000, which if realized, would exceed actual fiscal 1963 revenues by $2,024,000,000. In the first 6 months of the fiscal year—a relatively low collection period—actual budget revenues amounted to $40,266,000,000—some $1,140,000,000 higher than the corresponding 6 months of last year.

BUDGET EXPENDITURES

Budget expenditures for fiscal 1964 are now officially estimated by the President in the new budget at $98,405,000,000 which, if held to, would represent an increase of $5,763,000,000 over the fiscal 1963 actual budget expenditure. It should be noted that the $98,405,000,000 includes a tentative estimate of $1,788,000,000 expenditure in 1964 from supplementals to this session—which, principally, are included in House Document No. 203.

On a straight monthly basis, it would mean an average of $8,200,000,000 per month, in contrast to which the expenditures in the first 6 months, July to December, averaged $8,138,000,000 which in turn compares with $7,881,000,000 in the corresponding 6 months last year; the national defense monthly average was $35,000,000 over a year ago and the monthly average for all other items—nondefense—was $223,000,000 higher.

As in all past budgets, the revised budget expenditure—disbursements—estimate of $98,405,000,000 for fiscal 1964 represents a composite of estimated disbursements in fiscal 1964, first, from unexpended balances of prior years appropriations; second, from permanent appropriations recurring automatically under prior law; and, third, from annual appropriations made currently, including amounts associated with supplemental authority requests recently submitted or to be submitted for fiscal 1964.

EXPENDITURES AND ALL OTHER PROGRAMS FOR DEFENSE, SPACE, AND INTEREST

Messages and statements associated with the original 1964 budget repeatedly emphasized that expenditure estimates and programs for fiscal 1964 were so planned that total proposed administrative budget expenditures for all programs other than national defense, space, and interest were slightly below the fiscal 1963 level—as then forecast—for such programs. But in the new budget just received from the President, updated estimates for fiscal 1964 show expenditures for such other purposes as being above, rather than below, corresponding fiscal 1963 actual spending—$28,007,000,000 now estimated for 1964 compared to $27,355,000,000 actual for 1963, up $652,000,000 from 1963.

And in the first 6 months, such other spending was up from the corresponding period of fiscal 1963 by $162,000,000.

SURPLUS OR DEFICIT

Whether the budget deficit for 1964 turns out to be the $10,005,000,000 currently foreseen in the President's message received last week, or some other amount, fiscal 1964 represents the 28th year of budget deficits in the last 34 years—with at least one more, probably two more, to follow. In summary, here are the official administrative budget deficit figures of the last 3 years:

	Administrative budget deficits	
	From July 1, 1961, to date	For 3 full fiscal years, 1962–64
Fiscal 1962 (from July 1, 1961)	$6,378,000,000	$6,378,000,000
Fiscal 1963	6,266,000,000	6,266,000,000
Fiscal 1964 (6 months to Dec. 31, 1963)	8,566,000,000	
Fiscal 1964 (current estimate in President's 1965 budget)		10,005,000,000
Total, as above	21,210,000,000	22,649,000,000

And in total, budget expenditures projected by the President in the new budget for the current fiscal year 1964 compare with certain earlier years as follows:

	Administrative budget spending, 1964 estimate		
	Over fiscal 1963	Over fiscal 1961	Over fiscal 1954
1964 current estimate for national defense over	+$2,542,000,000	+$7,803,000,000	+$8,311,000,000
1964 current estimate for other than national defense over	+3,221,000,000	+9,087,000,000	+22,557,000,000
Total, 1964 current estimate over	+5,763,000,000	+16,890,000,000	+30,868,000,000

THE PUBLIC DEBT

Mr. Speaker, after 6 months of budget operations in the current fiscal year 1964 the total public debt, both direct and guaranteed, stood at $310,088,641,784.17 and compares with certain earlier dates as shown in the following table:

	Federal public debt—Direct and guaranteed				
	Fiscal 1954	Fiscal 1961	Fiscal 1962	Fiscal 1963	Fiscal 1964 (at Dec. 31, 1963)
1. The debt at end of period (in billions)	$271.3	$289.2	$298.6	$306.5	$310.1
2. Amount per capita (in dollars)	1,670	1,575	1,600	1,619	1,626
3. Average for a family of 4 (in dollars)	6,680	6,300	6,400	6,476	6,504

In conclusion, Mr. Speaker, the following table elaborates the receipt and expenditure situation more fully:

Budget receipts and expenditures (the traditional administrative budget) 6 months of fiscal 1964 versus 6 months of fiscal 1963 and comparisons with full year estimates

[In millions of dollars]

	Actual for 6 months (to Dec. 31, 1963)			President's budget estimates (revised) for all of fiscal 1964 compared to actual results for all of fiscal 1963		
	Fiscal 1964 (6 months)	Fiscal 1963 (6 months)	1964 compared to 1963 (6 months)	Revised budget estimate, 1964 (January 1964)	Actual, 1963	1964 revised budget estimate compared to actual 1963
1. Budget receipts (net)	40,266	39,126	+1,140	88,400	86,376	+2,024
2. Budget expenditures (net):						
(a) National defense (per official budget classification)	26,162	25,953	+209	55,297	52,755	+2,542
(b) Other than national defense	22,670	21,333	+1,337	43,108	39,887	+3,221
Total expenditures, net	48,832	47,286	+1,546	98,405	92,642	+5,763
3. Net deficit or change	−8,566	−8,160	+406	−10,005	−6,266	+3,739
4. Average monthly expenditure—						
(a) National defense	4,360	4,326	+35	4,608	4,396	+212
(b) Other than national defense	3,778	3,555	+223	3,592	3,324	+268
Total monthly average	8,138	7,881	+258	8,200	7,720	+480
5. Dividing net budget expenditures on the basis emphasized in original budget for 1964—						
(a) National defense	26,162	25,953	+209	55,297	52,755	+2,542
(b) Space	1,857	1,024	+833	4,400	2,552	+1,848
(c) Interest	5,278	4,936	+342	10,701	9,980	+721
(d) All other expenditures	15,535	15,373	+162	28,007	27,355	+652
Total expenditures, net	48,832	47,286	+1,546	98,405	92,642	+5,763

Sources: Budget for 1965 and monthly Treasury statement for Dec. 31, 1963.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WALLHAUSER (at the request of Mr. HALLECK), on account of official business.

Mr. SCHWEIKER (at the request of Mr. ARENDS), for Wednesday, January 29, on account of death in family.

Mr. DAVIS of Tennessee (at the request of Mr. FULTON of Tennessee), for balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. REUSS (at the request of Mr. ALBERT), for 60 minutes, on Thursday, January 30, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DENT (at the request of Mr. SISK) the remarks he made in the Committee of the Whole today, and to include certain letters and other extraneous matter.

Mr. HOLIFIELD.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mrs. KELLY.

Mr. HEALEY in two instances.

Mr. PATMAN and to include tables.

Mr. THOMPSON of Louisiana.

Mr. O'HARA of Michigan.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 745. An act to provide for adjustments in annuities under the Foreign Service retirement and disability system; to the Committee on Foreign Affairs.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5377. An act to amend the Civil Service Retirement Act in order to correct an inequity in the application of such act to the Architect of the Capitol and the employees of the Architect of the Capitol, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1309. An act to amend the Small Business Act, and for other purposes.

ADJOURNMENT

Mr. WELTNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 29, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1591. Under clause 2 of rule XXIV, a letter from the Acting Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report on title I, Public Law 480 agreements concluded during December 1963, pursuant to Public Law 85–128, was taken from the Speaker's table and referred to the Committee on Agriculture.

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:

Mrs. KELLY: Committee on Foreign Affairs. Report on United Nations in crisis pursuant to House Resolution 55 (88th Cong.) (Rept. No. 1103). 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. RAINS (by request):

H.R. 9769. A bill to vest the Federal National Mortgage Association with fiduciary powers to facilitate the financing of its own and other mortgages, to provide for sales of and investments in beneficial interests or participations in such mortgages, and for other purposes; to the Committee on Banking and Currency.

By Mr. COLLIER:

H.R. 9770. A bill to amend the Tariff Act of 1930 to provide that certain coprecipitates of major milk proteins shall be admitted free of duty; to the Committee on Ways and Means.

By Mr. WIDNALL:

H.R. 9771. A bill to authorize a new form of low-rent housing utilizing private accommodations, to provide more adequate compensation for persons whose property is taken under certain federally assisted programs, to provide improvements in the urban renewal program with emphasis on rehabilitation, and for other purposes; to the Committee on Banking and Currency.

By Mrs. DWYER:

H.R. 9772. A bill to authorize a new form of low-rent housing utilizing private accommodations, to provide more adequate compensation for persons whose property is taken under certain federally assisted programs, to provide improvements in the urban renewal program with emphasis on rehabilitation, and for other purposes; to the Committee on Banking and Currency.

By Mr. HARVEY of Indiana:

H.R. 9773. 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. HORTON:

H.R. 9774. A bill to terminate the Columbia Plaza urban renewal project area and plan, to restore certain property in the District of Columbia to the former owners thereof, and for other purposes; to the Committee on the District of Columbia.

By Mr. HUTCHINSON:

H.R. 9775. 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. LEGGETT:

H.R. 9776. A bill to authorize a 3-year program of grants for construction of veterinary medical education facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 9777. A bill authorizing the Chief of Engineers, Department of the Army, to expend certain appropriated funds to maintain harbors and waterways at depths required for defense purposes; to the Committee on Public Works.

H.R. 9778. A bill authorizing construction of the Lakeport Dam and Reservoir and channel improvements on Scotts Creek, Cache Creek Basin, Calif., in the interest of flood control and allied purposes; to the Committee on Public Works.

By Mr. FARBSTEIN:

H.R. 9779. A bill to amend further the Peace Corps Act (75 Stat. 612), as amended; to the Committee on Foreign Affairs.

By Mr. PURCELL:

H.R. 9780. A bill to provide a voluntary marketing certificate program for the 1964 and 1965 crops of wheat; to the Committee on Agriculture.

By Mr. SKUBITZ:

H.R. 9781. A bill to provide for the issuance of a special postage stamp honoring Maj. Gen. Frederick Funston; to the Committee on Post Office and Civil Service.

By Mr. CURTIN:

H.R. 9782. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance and tax credits, and for other purposes; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 9783. A bill to incorporate the Jewish War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. BENNETT of Michigan:

H.R. 9784. A bill to authorize the Secretary of the Interior to make payments to reestablish the purchasing power of American fishermen suffering temporary economic dislocation; to the Committee on Merchant Marine and Fisheries.

By Mr. McDADE:

H.R. 9785. A bill to authorize a new form of low-rent housing utilizing private accommodations, to provide more adequate compensation for persons whose property is taken under certain federally assisted programs, to provide improvements in the urban renewal program with emphasis on rehabilitation, and for other purposes; to the Committee on Banking and Currency.

By Mr. SAYLOR:

H.R. 9786. A bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance; to the Committee on Veterans' Affairs.

By Mr. CAHILL:

H.R. 9787. A bill to amend the Tariff Act of 1930 to provide that imported electron microscopes shall be subject to the regular customs duty regardless of the nature of the institution or organization importing them; to the Committee on Ways and Means.

By Mr. ABBITT:

H.J. Res. 904. Joint resolution to authorize and direct the Secretary of Agriculture to conduct research into the quality and health factors of cigarette tobacco; to the Committee on Agriculture.

By Mr. SILER:

H.J. Res. 905. Joint resolution requiring the Secretary of Agriculture to expand current research into the quality and health factors of tobacco; to the Committee on Agriculture.

By Mr. SNYDER:

H.J. Res. 906. Joint resolution requiring the Secretary of Agriculture to expand current research into the quality and health factors of tobacco; to the Committee on Agriculture.

By Mr. UTT:

H.J. Res. 907. Joint resolution requiring military personnel of the United States to comply with the Constitution of the United States before accepting United Nations medals and service ribbons; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. TUPPER: Joint resolution of the Maine State Senate and House of Representatives ratifying the proposed amendment to the Constitution of the United States relating to the qualification of electors; to the Committee on the Judiciary.

Also, joint resolution of the Maine State Senate and House of Representatives, memorializing Maine congressional delegation to oppose new stringent requirements in public assistance cases; to the Committee on Ways and Means.

Also, joint resolution of the Maine State Senate and House of Representatives, memorializing the Honorable Stewart L. Udall, Secretary of the Interior, to remove or to liberalize the restrictions on residual fuel oil imports; to the Committee on Ways and Means.

By Mr. RYAN of New York: Memorial of the Legislature of the State of New York, memorializing the Secretary of State of the United States to lodge a protest with the Government of Soviet Russia, in relation to such Government's campaign of anti-Semitic and antireligious terror; to the Committee on Foreign Affairs.

By the SPEAKER: Memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States relative to ratification of a proposed amendment to the Constitution of the United States of America relating to the qualification of electors; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CUNNINGHAM:

H.R. 9788. A bill for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired; to the Committee on the Judiciary.

By Mr. LANKFORD:

H.R. 9789. A bill for the relief of Muhammad Sarwar; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 9790. A bill for the relief of Bainbridge Brothers, Inc.; to the Committee on the Judiciary.

PETITIONS, ETC.

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

667. By the SPEAKER: Petition of Henry Stoner, Avon Park, Fla., relative to the 24th amendment to the Constitution of the United States, relating to the poll tax; to the Committee on the Judiciary.

668. Also, petition of Henry Stoner, Avon Park, Fla., requesting a requirement in the Rules of the House of Representatives pertaining to the election of chairmen of the standing committees of the House of Representatives; to the Committee on Rules.

SENATE

TUESDAY, JANUARY 28, 1964

The Senate met at 12 o'clock meridian, and was called to order by Hon. JACOB K. JAVITS, a Senator from the State of New York.

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

O Thou Seeking Shepherd of our souls, who leadest us beside still waters and in green pastures: Unto the hills of Thy strength and glory, we lift the expectant eyes of our faith, for from Thee cometh our help.

Even as with bending backs we toil in the valley, we are grateful that the light of heaven falls upon our daily tasks and that in the beauty of common things we may partake of the holy sacrament of Thy presence.

Give us a sobering realization that our individual attitudes go to make the national and international climate of these dangerous days in which we live. By the warmth of our own spirit may we contribute to the final dispelling of the atmosphere of skepticism and suspicion in which grow only the rank weeds of hatred, so often rooted in ignorance.

Make us willing partners in the garden of good will, cultivating the flowers of appreciation and understanding which will at last climb over all dividing walls and make the fields of all nations blossom as the rose.

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

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., January 28, 1964.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JACOB K. JAVITS, a Senator from the State of New York, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. JAVITS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 27, 1964, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on